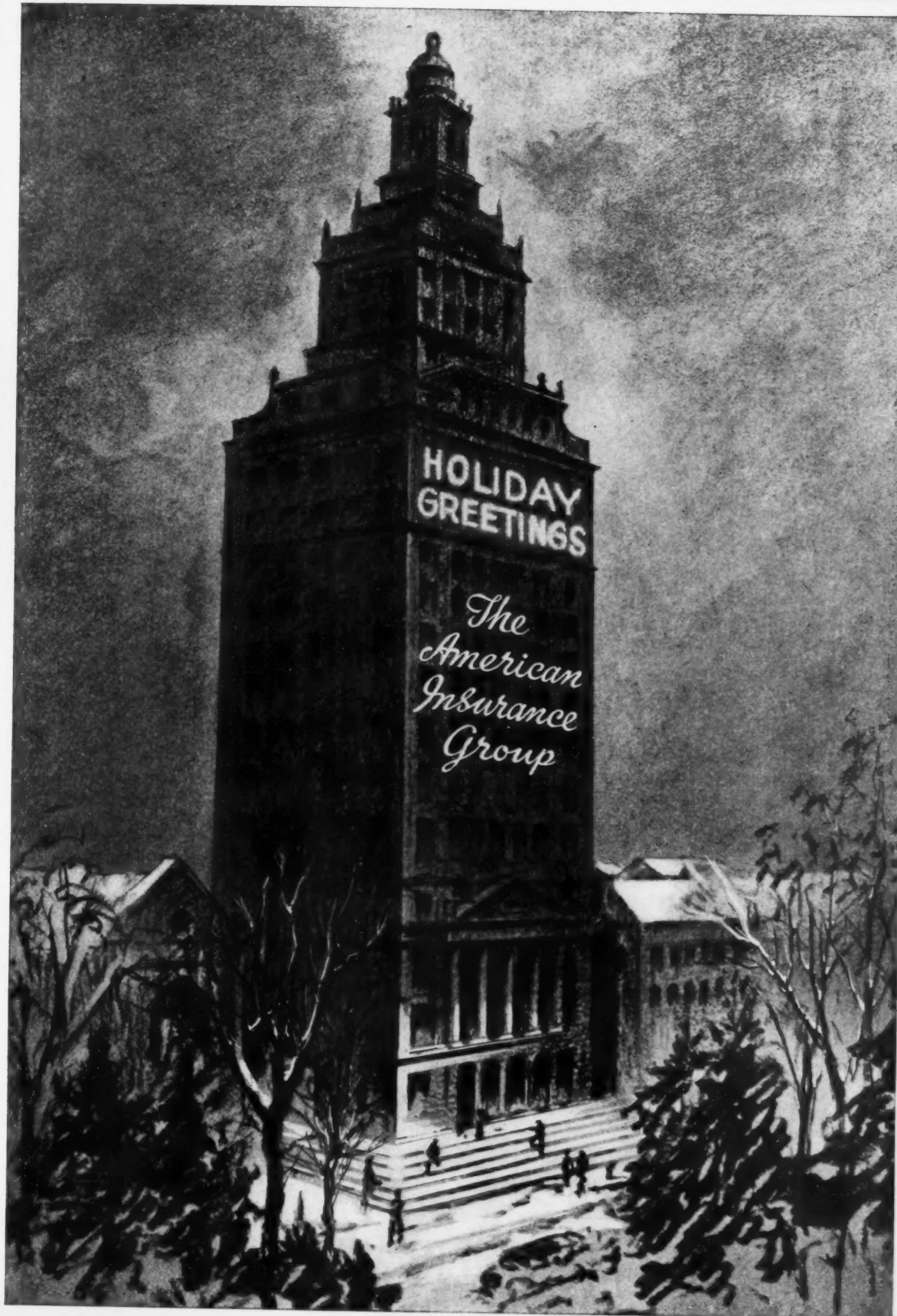


The **NATIONAL UNDERWRITER**



THURSDAY, DECEMBER 22, 1938

F A M O U S A M E R I C A N H O M E S



Snow Bound

IN THE Merrimac Valley at East Haverhill, Massachusetts, there stands an old seventeenth century house. More than two hundred and fifty years ago its staunch hand-hewn, fifteen-inch beams, which have weathered the ravages of New England's rough winters since the days of King Philip, were raised into place by a sturdy Quaker named Whittier. He was the great-great-grandfather of John Greenleaf Whittier, America's beloved poet, who was born in the gray, weather-beaten structure on December 17, 1807.

It was here that the poet lived during his childhood, working as a "barefoot boy with cheek of tan" on his father's farm, attending the district school and, a few years later, contributing his earliest poems to neighboring newspapers.

Beyond the little entry there is a small steep staircase, the poet's study on the right, and—on the opposite side—the room where he was born. It was in the kitchen, the largest and most important room in the house, that Whittier

visioned "the winter's evening scene," "the rude furnished room," and other features that culminated in the birth of his famous "Snow Bound."

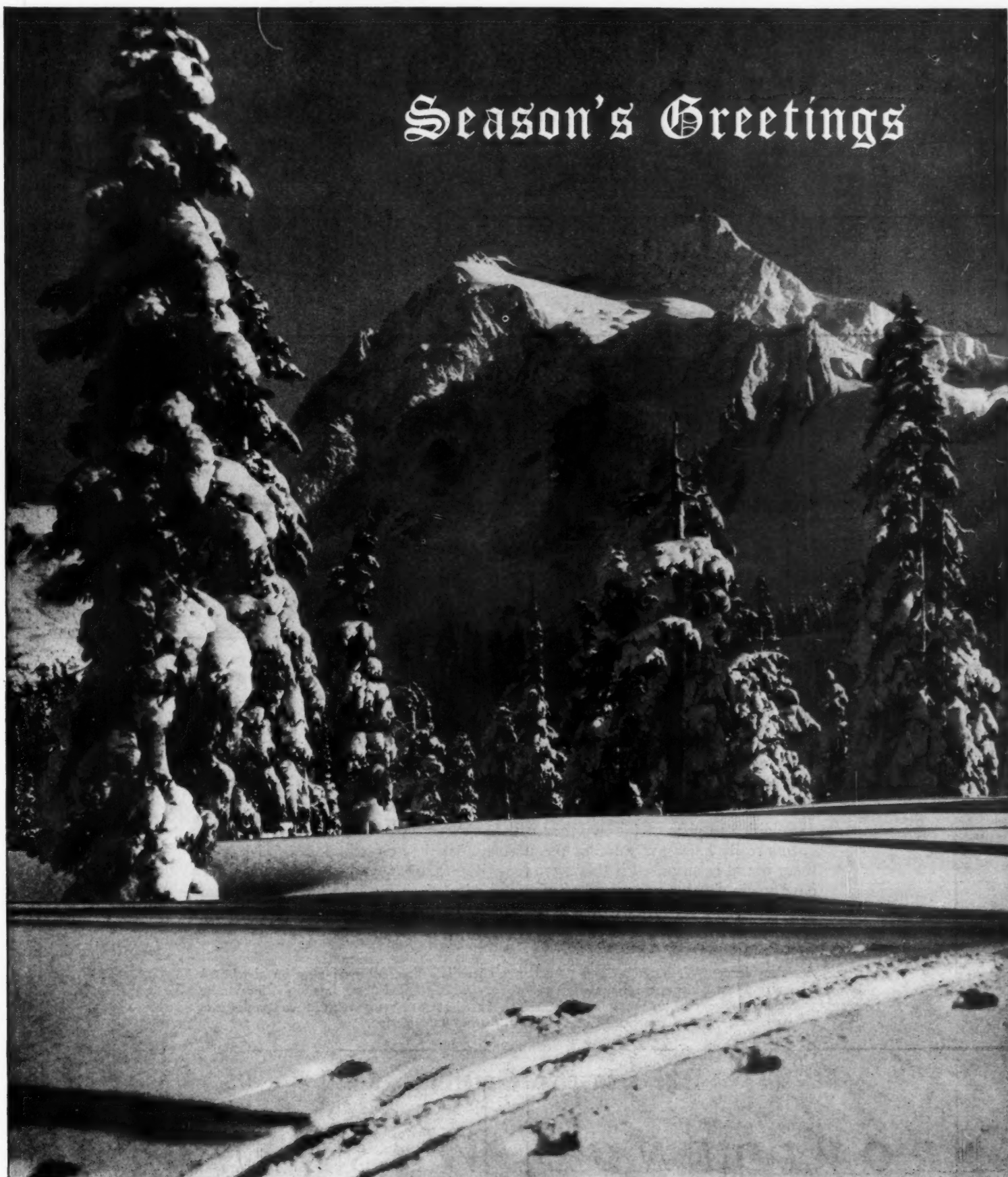
When a new academy was opened at Haverhill, the Haverhill newspaper provided young Whittier with a home, that he might attend the institution. Having no funds with which to pay his tuition, he learned to make slippers and through their sale contrived to pay his expenses at the academy.

The old house at East Haverhill was purchased by James H. Carleton soon after the poet's death in 1892 and was later transferred to a Board of Trustees composed of members of the Whittier Club of Haverhill with the understanding that the building and grounds were to be restored to their original condition and thrown open to any visitor who might wish to make a pilgrimage to the scene of "Snow Bound."

The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry.

The HOME INSURANCE
COMPANY
NEW YORK

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Forty-second year. No. 51. Thursday, December 22, 1938. \$4.00 a year, 20 cents per copy. Entered as second class matter, April 25, 1931, at the post office at Chicago, Ill., under act of March 3, 1879.



Season's Greetings

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane.



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL



Gifts . . . Jewelry

Christmas is the season for giving, and jewelry, serves as a common solution to the question, "What to Give?"

In addition to gifts of jewelry they will receive at Christmas, how many of your clients really know the value of the jewelry that they already possess? Most of them would be surprised if they were to gather together the various items they have accumulated over a period of years and calculate their total value. Have them try it and show them how much they stand to lose in dollars and cents through the loss of all or part of such property.

A Providence Washington and Anchor "Jewelry Floater" covers articles of jewelry wherever they may be, in the home, in transit or elsewhere, against practically every conceivable risk.

There is a great demand now for the broad coverages granted under inland marine forms. Write these agency minded companies for further information.

The Season's Greetings to All

PROVIDENCE WASHINGTON

INSURANCE COMPANY OF PROVIDENCE, RHODE ISLAND

Incorporated 1799 • Capital \$3,000,000.00

ANCHOR INSURANCE COMPANY

Incorporated 1928 • PROVIDENCE, RHODE ISLAND • Capital \$1,000,000.00

The NATIONAL UNDERWRITER

Forty-second Year—No. 51

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, DECEMBER 22, 1938

\$4.00 Per Year, 20 Cents a Copy

Theodore Plessner Becomes President of Northern of N. Y.

Veteran in the Organiza- tion Elected to Fill Clutia Vacancy

NEW YORK — Theodore Plessner succeeds the late H. H. Clutia as president of Northern of New York, having been so elected at a meeting of the directors Tuesday. He has been connected with the organization for many years, rising through different grades until he was elected vice-president and treasurer in 1929.

In the course of the years in which he served under the administrations of the late James Marshall and Mr. Clutia, Mr. Plessner became widely known to and highly popular with the general agents of the company. His advancement to the presidency had been expected since the death of Mr. Clutia, and its accomplishment will be gratifying to representatives of Northern throughout the country.

Mr. Plessner began his business career with Burke & Brown in 1895, the firm being managers of the New York & Boston Lloyds, later reorganized as the Northern of which Mr. Plessner was elected assistant secretary in 1919. As formerly Mr. Plessner will continue to devote his major attention to the financial affairs of the company.

William Williams, as vice-president, remains in charge of the general underwriting with Secretary R. L. Parsons directly supervising eastern business; Secretary R. W. Wetzel, that of the western department, and Secretary G. A. Goetschius the extensive automobile business.

Expedites Missouri Refund

JEFFERSON CITY, MO.—The Missouri supreme court has swept aside all technical barriers to an immediate refund of the \$1,651,000 of impounded premiums in the state court case involving the 16 2/3 percent rate increase. The court granted a group of St. Louis real estate men a writ which restrains the Boone county circuit court from acting on a petition filed on behalf of Superintendent Robertson seeking instructions as to how he should proceed in making refunds to policyholders.

The court held that since the insurance code provides a method of defraying the expense of enforcing the insurance laws and handling impounded funds the superintendent cannot go into a court to obtain directions as to how the fund should be distributed.

Attorney-general McKittrick said that unless Mr. Robertson "immediately takes action and begins paying the money to the policyholders, I shall file a proceeding to oust him from office." He charged that Robertson's handling of the matter was not for benefit of policyholders.

Qualifications Main Topic in Nebraska

Agents Association at Midyear Meeting Takes More Militant Attitude

FREMONT, NEB.—Legislation was the main topic at the midyear meeting of the Nebraska Association of Insurance Agents held here. The keynote address was delivered by E. L. Dawson, Lincoln, first vice-president and chairman legislative committee, who proposed a new or revised agents qualification law, rate regulation and uniform countersignature statute.

Commenting on the present licensing laws, he said: "Are you acquainted with



CARROLL S. MORROW

the extent of the power of our insurance department as to licensing agents or causing agents' licenses to be canceled? Are we taking full advantage of the law as it now stands? I do not want you to feel that my position in hoping we can propose a law that will help us and help the department, is arbitrary.

Present Law Needs Change

"I emphatically feel, as you do, that something should be done about it. But I also feel that we should have a good, close check-up on the matter, so that we can propose a change in our present law, or an amendment, which will have some degree of merit and some possibility of receiving consideration and support by the insurance interests of this state, in the broad sense, and also receive the support of the members of our legislature who can see in our proposal qualifications that would add to the safety of the insurance-buying public."

No matter what changes are eventually made, Mr. Dawson said, it would still remain for the agents to do the policing job that would keep the law enforced. It is the failure of the agent to make a direct protest, when he knows of violations, that defeats the purpose of such regulatory measures.

Touching briefly on rate regulation

New U. S. Act May Cut Watch Service

Wages and Hours Measure Creates Problem for Fire Underwriters

NEW YORK—Fire underwriters are somewhat disturbed over one effect of the federal wages and hours law, which became operative as to all individuals and corporations transacting an interstate business, on and after Nov. 1.

To comply with provisions of the act, which limits the period of weekly employment to 40 hours, beyond which the employee must be paid time-and-a-half, a number of warehouse, mercantile and manufacturing plants have curtailed watchman service, and have even dispensed with it altogether.

Though the due diligence clause in fire and use and occupancy policies does not constitute a warranty, assured are expected to safeguard their properties either through installation of complete alarm services, or by employing watchmen. Many large risks have two men on patrol duty from the closing hour until work resumes in the morning, and this service is maintained seven days a week.

May Curtail Service

Under terms of the wages and hours law, employers either would have to engage additional watchmen, limit period of service, or as some concerns have arranged, stagger the hours of the men already engaged, so that none will be on duty beyond 40 hours a week. The net result of either of the two latter alternatives probably would be to lessen the time a plant is under watch service, as relatively few property-owners, it is expected, would go to the added expense of engaging further help.

Desiring to deal fairly with their insurance carriers, a number of assured frankly have explained the situation, asking for suggestions as to meeting it.

The problem before underwriters is whether rates on properties in which watch service has been materially reduced should not be adjusted to meet such condition, and if so, the extent of the rate increase that should be applied.

proposals, and on the resident agents countersignature law, he said the time had come for members to assume a militant attitude with regard to legislation. Heretofore, he said, the agents have been very docile, using their facilities only to defeat inimical legislation. They have proposed nothing. The policy hereafter will be to secure measures that will dignify and stabilize the profession.

Several speakers stressed importance of membership in the organization. C. S. Morrow, Kearney, Nebraska association president, said that profit or pleasure derived from any business or profession is in direct proportion to activity of the trade organization. George Cowton, Grand Island, member executive committee, and C. U. Hendrickson, Omaha, state agent Home, also spoke on the subject.

Arthur Baldwin, Fremont, spoke on

(CONTINUED ON PAGE 12)

Standard of N. Y. Elects G. Z. Day As New President

Action Was Anticipated— Couch and Henry New Vice-presidents

NEW YORK—Formal announcement was made this week of the election of George Z. Day as president of Standard of New York, a member of the Tokio group. That Mr. Day would be placed in command to succeed the



GEORGE Z. DAY

late J. A. Kelsey has been taken for granted by those familiar with the Tokio organization in this country. Mr. Day has been right-hand man to Mr. Kelsey for years and he is by experience and ability prepared to provide a continuity of administration.

Mr. Kelsey was also U. S. general agent for fire business of Tokio M. & F. and of Meiji Fire and was president of Standard Surety & Casualty. No action has been taken as yet towards filling these other vacancies in the group. The directors' meeting of Standard Surety & Casualty is to be held in January.

Couch and Henry Are Advanced

At the same time that Mr. Day was elected president of Standard, A. J. Couch, resident vice-president in Chicago, was elected a full vice-president and C. L. Henry, heretofore secretary at the New York head office, was elected a vice-president.

Mr. Day went to the Tokio in 1923 as assistant United States general agent and as vice-president of Standard of New York which had just been organized. Several months ago he was elected vice-president of Standard Surety & Casualty and has tackled the problem of the casualty business in an

(CONTINUED ON PAGE 12)

Resist Change in N. Y. Rating Law

NEW YORK—Strong opposition to the amended rating provision proposed for the New York insurance law was voiced before the legislative code revision committee at the hearing here Wednesday. Company officials and agents contended the law as it stands amply meets the situation.

J. J. Magrath, Chubb & Son; Walter H. Bennett, secretary National Association of Insurance Agents, and J. W. Rose of the New York State Association of Local Agents, were among those that voiced objection to change.

If the department were to determine rates upon predetermined loss, expense and profit ratios, what, Mr. Bennett asked, latitude would be allowed for the exercise of judgment by company executives.

Oppose Too Great Power

Those testifying objected to granting extreme power to the superintendent. Rate making, they declared, calls for technical training and can not lightly be delegated to any political agency.

Argument was offered against granting rate differential to any company whose experience has been considered with others in determining rates as a whole. The unfairness of predicated the loss experience for rating purposes on any class of risks upon the record of a limited number of years was illustrated, according to one witness, by the fact that school buildings in the state had run a loss ratio of but 11 percent. for a time, but the record shortly thereafter jumped to 76 percent. There must be flexibility in rating, it was contended, if the business is to be conducted along lines of permanency.

Confesses to Setting \$1,000,000 Fire

Sheriff Miron of Escanaba, Mich., announces that Alfred Rigual had confessed to setting the fire that caused insurance loss of more than \$1,000,000 in the J. W. Wells Lumber Company yard at Menominee, Mich., in 1931. Rigual, according to the sheriff, confessed to setting other fires. Some of those who investigated the Wells fire say that the confession of Rigual does not appear to square with the facts of the fire. There has been no doubt in the minds of insurance people that the Wells fire was incendiary.

R. H. Doyle Now Assists J. H.

NEW YORK—Robert H. Doyle, a son of J. H. Doyle, general counsel of the National Board, is now an assistant to his father, the appointment having been determined upon by the laws committee a short time ago. Young Doyle is a graduate of Dartmouth College and of the Law School of the University of Cincinnati. The oldest of the Doyle sons, J. G., is special agent in Ohio for the Citizens, while two younger boys are in preparatory schools.

Plangman New Arkansas Chairman

LITTLE ROCK—At a meeting of the Arkansas Field Men's Club the following officers were elected: Walter Plangman, American, chairman; Elmer C. Dice, St. Paul F. & M., vice-chairman.

C. C. Collie is the retiring chairman. Mr. Plangman has been the vice-chairman.

The Arkansas Field Men's Club meets on Monday of each week for luncheon and business meeting at the Marion Hotel in Little Rock.

Roy L. Nicholson, state agent in Wisconsin for Michigan F. & M., has been elected worshipful master of LaFayette Masonic lodge, Milwaukee. A good many prominent insurance men are members of this lodge.



SNAPPED AT COMMISSIONERS MEETING

Top row (left to right)—Hugh H. Earle, Oregon commissioner; W. H. Bakes, Idaho insurance director.

Bottom row—C. E. Gauss, Michigan commissioner; J. V. Barry, New York, Michigan commissioner 30 years ago. Pictures by H. H. Fuller, deputy U. S. manager Zurich.

Lawton Named Trustee of Wisconsin Mutual, Madison

MADISON, WIS.—Two groups are seeking control of the Wisconsin Mutual of this city, which has been taken over temporarily by the Wisconsin department in hope of effecting rehabilitation by reorganization rather than to liquidate. This company does an automobile insurance business. A hearing was held the past week before Judge Hoppmann in Dane county circuit court on a reorganization plan necessitated by lack of working capital. Meanwhile, a trusteeship of the insurance department has been set up, with H. Lawton as trustee representing Commissioner Mortensen.

Attorneys for both groups proposed

to Judge Hoppmann to advance \$35,000 to restore solvency. Although the plan was said to have approval of the commissioner, it was opposed in court by counsel for the retiring officers, Paul Weiss, president, and John Boesel, Madison, secretary-treasurer, who offered to turn in a similar amount in bonds. Judge Hoppmann set the matter for further hearing Dec. 28. The books were ordered opened to both parties for audit.

Executive Meeting in N. Y. Jan. 16

The special meeting of the executive committee of the National Association of Insurance Agents will be held in New York beginning Jan. 16.

M. O. Fountain has opened an agency in Warren, Mass.

C. W. Chappelle Is Named Secretary of the Orient

HARTFORD—C. W. Chappelle, agency superintendent of the London & Lancashire group, has been elected secretary of the Orient, succeeding the late R. W. Thomas. He has been at the head office for about two years, coming from the western department and being in the Ohio field when he was shifted here.

Newhouse & Sayre Assigns S. E. Whitlock to 3 States

S. E. Whitlock has been assigned by Newhouse & Sayre to travel Illinois, Wisconsin and Michigan as special agent, with headquarters in Chicago. He has been located in the Chicago office about two months, previously for several years having been connected with the New York head office. The Chicago office in charge of Vice-president L. F. Hawley supervises inland marine underwriting for 15 states. It is a fully equipped unit.

More Michigan Aspirants Appear

LANSING, MICH.—More aspirants for the post of insurance commissioner under the new state administration are beginning to appear although Governor-elect Fitzgerald has indicated he will continue the incumbent, C. E. Gauss in office for some time after Jan. 1. Among those most recently mentioned are C. M. McNaughton, of the McNaughton, Breen & Nute agency, Detroit; S. A. Lambert, former president of Agricultural Life, and William Bishop, prominent Young Republican leader of Alpena.

Bonito's Pearl Connection Ends

NEW YORK—A. H. Bonito & Co. of New York City which has had the Pearl Assurance group for inland marine insurance will relinquish their jurisdiction at the end of the year, inasmuch as the company has established its own inland marine department in charge of N. K. Levis.

Returns to Chicago



H. F. GREGG

H. F. Gregg, who has been located in New York as assistant western manager of Royal-Liverpool, is now returning to Chicago where he was located when the Royal's western department was there. He becomes regional supervisor for Indiana, Illinois and western Michigan.

Mr. Gregg's son, who just recently graduated from Williams College has just started in the Chicago headquarters of Western Adjustment.

THIS WEEK IN INSURANCE

Theodore Plessner, heretofore vice-president and treasurer, is elected president of Northern of New York.

Page 3

G. Z. Day is elected president of Standard of New York, succeeding J. A. Kelsey.

Page 3

Nebraska Association of Insurance Agents at midyear meeting in Fremont discusses what to do about qualification law.

Page 3

C. W. Chappelle is elected secretary of the Orient, succeeding the late R. W. Thomas.

Page 4

F. S. Dauwetter, director of the Business Development Office, is to become assistant general manager of the National Board with the idea in due course

of succeeding W. E. Mallalieu in the top position.

Page 5

Numerous changes are made by Royal-Liverpool in setting up a system of regional management in the western field.

Page 5

Radical group in Birmingham Bar Association that is behind the prosecution of insurance companies and adjusters on the practice of law question wins over the conservatives in the annual election.

Page 17

The stock of Great Lakes Casualty is purchased by D. F. Broderick, Inc., of Detroit for \$440,000.

Page 17

Commissioner Hobbs of Kansas issues drastic ruling intended to deny to finance companies a share of commissions on cars financed by them.

Page 32

Dauwalter Becomes Heir Apparent in National Board

**B. D. O. Chieftain
Will Be Understudy of
W. E. Mallalieu**

NEW YORK—F. S. Dauwalter, who will take office the first of the year as assistant general manager of the National Board, will definitely be groomed for the principal position in that organization when W. E. Mallalieu decides to retire. Mr. Mallalieu, who is 65 years



F. S. DAUWALTER

of age, has no definite time in mind when he will step aside, but he intends to share much of his work and responsibility with Mr. Dauwalter against the time when the change will be made.

Mr. Dauwalter leaves the Business Development Office of New York, of which he has been the director since

(CONTINUED ON PAGE 13)

November Fire Loss Estimate Sharply Higher

NEW YORK—The fire loss of the country which since last April has increased each month over the record of the corresponding period of 1937, took a sharp jump during November. The National Board November loss estimate is \$28,658,695, increase 15.5 percent over those of the preceding month, and greater by 20.1 percent than for November of last year.

The addition of the November figures increases to \$269,292,250 the fire loss since the beginning of the year. This compares with \$254,542,142 in 1937 and \$263,223,617 in 1936.

The returns for each of the months of the three years are:

	1936	1937	1938
Jan. \$	27,729,930	25,069,895	27,676,337
Feb.	30,909,896	28,654,962	26,472,626
March	29,177,406	29,319,029	29,050,963
April	25,786,835	26,663,854	25,616,112
May	21,479,380	21,437,739	22,917,577
June	20,407,485	19,524,765	19,473,617
July	22,357,020	19,812,485	20,434,688
Aug.	21,714,495	19,767,314	20,821,184
Sept.	20,413,537	19,349,756	23,372,528
Oct.	20,439,136	21,097,670	24,797,624
Nov.	22,808,499	23,849,673	28,658,695

Tot. \$263,223,617 \$254,542,142 \$269,292,250

Act on Objectionable Clauses

TORONTO—Among the clauses in the personal property floater insurance policy to which some objection was raised following its approval in Ontario was the provision limiting coverage on unlisted personal jewelry, watches and furs to \$250. Another was that limiting the liability on money, notes, securities, etc., to \$50.

The joint committee on definition and underwriting powers has recommended that authority be granted to extend the coverage on unscheduled furs, watches and personal jewelry, by endorsement for an additional premium, to larger amounts than the \$250 limit. The Ontario insurance department has concurred.

With regard to the \$50 limitation on money, notes and securities, it was decided that as this limitation is the same as in the standard burglary policies, no change was necessary.

John Kremer Traction Bureau Head

John Kremer, vice-president North America, was elected president of the Central Traction & Lighting Bureau at the annual meeting. The vice-president is J. C. Harding, Chicago, executive

Missouri Hand-Book Now Off Press

The Underwriters' Hand-Book for Missouri has been published by THE NATIONAL UNDERWRITER and distributed to purchasers. This is a valuable reference book on Missouri insurance-wise. It contains 488 pages.

The compilers this year found there were 27,623 agents licenses issued by the Missouri department as compared with 27,433 in 1937. The only change of consequence was in the ranks of stock casualty agents who had 5,449 licenses this year as compared with 5,172 previously. In 1935 there were only 4,825.

The book gives the complete line up of the agencies in the state listing them alphabetically by towns and cities and showing the members of the firm, date established, companies represented and other pertinent information. This covers fire, casualty and life agents—stock, mutual and reciprocal.

Information is included on all the companies licensed in the state, their home office data, field men, statistical information, officers in charge, etc. Listed separately for easy cross-reference are the field men of the fire companies and the general agents and managers of the casualty companies. There is a brief resume of the insurance laws, lists of adjusters, attorneys and brokers, classification of the towns as to fire protection and a showing of the special lines written by the companies.

The book is most complete and is indispensable to agents, field men, companies and others interested in insurance in Missouri.

Bennett to Scan Florida Setup

NEW YORK—W. H. Bennett, secretary National Association of Insurance Agents, intends to leave for Hollywood, Fla., early in the year to confer with leading agents in the state concerning arrangements for the mid-year gathering of the National Association in Hollywood April 3-6.

vice-president Springfield F. & M.; treasurer, C. A. Nottingham, assistant U. S. manager Royal-Liverpool; secretary, Sumner Rhoades, manager Eastern Underwriters Association.

Franklyn K. Sell, associated with his father in the Frank H. Sell Insurance Agency at Sheboygan, Wis., was married recently to Miss Inez M. Dorsch of Manitowish, Wis.

Royal Alters Its Supervisory Setup in the West

**Duffey, King and Gregg
Become Regional
Managers—Ellis Advanced**

Important changes in the system of supervision in the middle west for the Royal-Liverpool organization were announced last week at the three day gathering of field men of those companies in Chicago. The head office was represented at that meeting by H. C. Conick, assistant U. S. manager, and E. W. Hotchkin, manager western department. A system of regional supervision is being set up, intended to provide closer control.

B. T. Duffey, heretofore Cleveland manager, becomes regional manager for Ohio, with headquarters in Cleveland.

Howard F. Gregg, now assistant western manager in New York, becomes regional manager for Indiana, western Michigan and Illinois exclusive of Cook county. He will be located in Chicago.

Wells R. King, now assistant manager of the Chicago and Cook county office, goes to Omaha, whence he was once located, as regional manager for Iowa, Nebraska and Kansas.

Succeeding Mr. King in Chicago is William S. Ellis who has been special service representative with headquarters in that city.

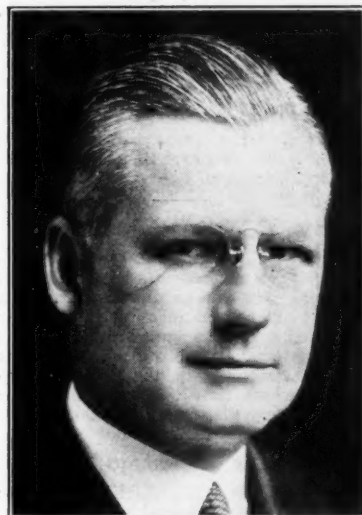
Russell McConnell, formerly state agent for Royal in Texas, is transferred to Chicago to handle the work formerly done by Mr. Ellis.

Earl Van Vorst, special agent at Pittsburgh, is transferred to Cleveland as special agent under Regional Manager Duffey.

Mr. Van Vorst will be succeeded in western Pennsylvania by Arthur Hymel, now representative in the special service department, as manager.

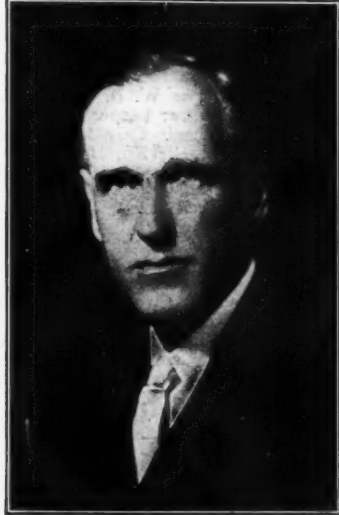
E. W. Hotchkin of New York will continue general supervision of the western department, with J. L. Erhardt as assistant manager.

ELECTED AT EASTERN UNDERWRITERS ANNUAL CONVENTION



ESMOND EWING

At the annual meeting of the Eastern Underwriters Association in New York, two new vice-presidents were elected, they being Esmond Ewing, vice-president of Travelers Fire, and Paul B. Sommers, president of American. Mr. Sommers thus adds another organization title to an already impressive list. He is president



PAUL B. SOMMERS



B. M. CULVER

of the National Board and president of Southeastern Underwriters Association at the present time.

B. M. Culver, president of America Fore, was reelected treasurer and Sumner Rhoades manager. R. R. Martin, U. S. manager of Atlas, is the new president.



SUMNER RHOADES

Let's Look At The Records...

But sometimes after a fire there are no records to look at . . . and the business man whose Accounts Receivable Records are destroyed finds himself in a situation that is apt to prove costly.

Any business man will recognize this when reminded of this contingency . . . and he'll recognize too the value of the Accounts Receivable Policy, pioneered by Indemnity Insurance Company of North America and especially designed to protect business men from this hazard.

It's a worthwhile form with which to build your premium income . . . and your list of clients.

CAPITAL \$1,000,000
CASUALTY
FIDELITY
SURETY



Indemnity Insurance Company
of North America

PHILADELPHIA

We are anxious to assist the Agent or Broker in securing adequate coverage for unusual propositions.



BEFORE CAMERA AT COMMISSIONERS RALLY

Top row (left to right)—G. H. Newbauer, Indiana commissioner; Roy B. Rummage, Arizona insurance director; G. A. Bowles, Virginia commissioner.

Second row—W. A. Robinson, actuary Ohio department; J. C. Blackall, Connecticut commissioner; J. P. Hammond, Delaware commissioner.

Third row—Jess G. Read, Oklahoma commissioner; H. J. Mortensen, Wisconsin commissioner; M. J. Harrison, Arkansas commissioner. Pictures by H. H. Fuller, deputy U. S. manager Zurich.

Albert Meyer Is Big Meow

ST. LOUIS—Albert Meyer, head of the Meyer agency, was elected head of the St. Louis Cats Meow, succeeding Frank R. Peterson of F. D. Hirschberg & Co. Recorder is W. B. Clinite, Missouri Audit Bureau; keeper E. C. McDermott, Maryland Casualty; outside keeper Morrison Clevlen, Poplar Bluff; inside keeper, L. A. Buck, Mercantile agency.

Dallas Blue Goose to Entertain

DALLAS—The Texas Blue Goose will hold its monthly stag meeting at the Dallas Country Club Jan. 9. On the same day will be held in Dallas the casualty meeting of Texas agents and all casualty company men and local agents attending will be invited to participate. Dr. I. Q. of local radio fame will entertain.

Denver Women in Meeting

DENVER—Robert Tyler of the U. S. F. & G. addressed the Insurance Women of Denver on "Mercantile Fidelity Bonds" at the Christmas party and business meeting. Members visited a poor family and delivered all needs for Christmas. Marjorie L. Kulp, Sanger-Rettig Agency, was program chairman.

Rowe Named President

HOT SPRINGS, ARK.—R. H. Rowe, manager Arkansas National Company, was elected president Hot Springs Insurance Exchange. Other new officers named are: Ralph Boaz, manager insurance department, Arkansas Trust Company, vice-president, and F. D. Annen, Birnbaum-Annen agency, secretary.

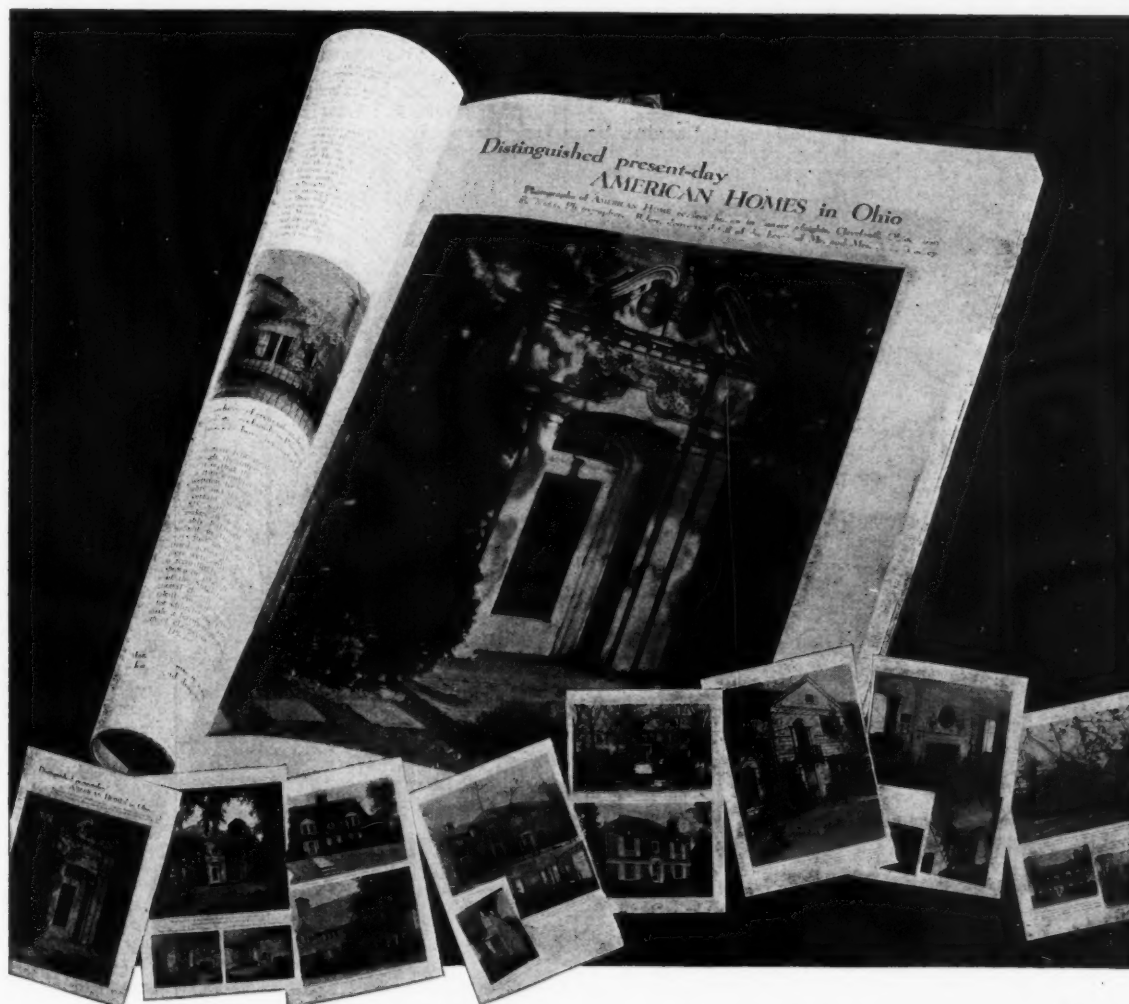
Dayton, O., Seeks Meeting

DAYTON, O.—The Dayton Association of Insurance Agents has invited the Ohio Association of Insurance Agents to hold its annual meeting in this city next fall. The executive board of the state association will meet the latter part of December or the first of January, at which time the selection of the 1939 meeting place may be made.

Draper Goes to Chicago

LITTLE ROCK, ARK.—William Draper, assistant general agent of Coates & Raines, has resigned to become associated with the Hartford Fire in Chicago.

Albert G. Brock, 76, Nantucket, Mass., local agent, died after a week's illness.



What's the difference between *Your Town* and Cleveland?

In Cleveland, Ohio, there are hundreds of home owners who read the magazines in which appear our national advertising — advertising, by the way, that tells the home owner that the best way to buy complete insurance is from you, the local agent or broker. And these home owners live in fine well-kept houses — homes that make attractive prospects for many lines of insurance. From a sales angle Cleveland is no different from your town. For every month our advertising reaches over 1,500,000 homes throughout the country — in cities

and towns, large and small. And like Cleveland, a good substantial percentage of these homes — including those in your territory — are good risks, good prospects, good business.



DO YOU WANT MORE BUSINESS?

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THE EMPLOYERS' GROUP
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NEWS OF FIELD MEN

Map Illinois Pond Annual Dinner in Decatur, Jan. 17

The Illinois Blue Goose will hold its annual meeting at a dinner in Decatur, Jan. 17, the officers decided at a luncheon meeting in Chicago this week. The next day in Decatur will be held the mid-year meeting of the Illinois Fire Underwriters Association.

At the Blue Goose meeting, a motion will be presented to change the pond year back to the June basis, so as to correspond with the grand nest system. The motion will provide that the new officers elected in January serve for 18 months.

John Chickering, agency supervisor of Sun, who is most loyal gander, announced the appointment of this nominating committee: D. J. Harrigan, St. Paul F. & M.; Lloyd Brown, Firemen's, and A. R. Miller, America Fore, chairman.

James E. Guy, automobile superintendent America Fore, as chairman of the committee on arrangements, reported that plans are progressing for the

annual dinner dance in Chicago, Feb. 11. This will be held at the Lake Shore Athletic Club. Mr. Guy, who is perennially chairman of this event, is next in line to be most loyal gander in Illinois.

To Celebrate 50th Year

G. B. Jennings, veteran Virginia state agent Royal group, Richmond, will celebrate his golden anniversary in the fire insurance business next year. He has been with the Royal 36 years. He started in the business at Danville, Va., in 1889 with the James T. Catlin agency, and later was with the W. A. Dance agency there. He was subsequently with the old Southeastern Tariff Association and also supervised for a time several states in the southeast for the old Lancaster of England.

Pond Holds Christmas Party

SAN FRANCISCO—Four sons of Dr. Tully C. Knoles, president College of the Pacific, formed a vocal quartet at the Christmas luncheon meeting of Blue Goose here. Dr. Knoles gave an

inspirational address. Commissioner Rex B. Goodcell presided, being introduced by Lee Coburn, most loyal gander. The late J. H. ("Dad") Schively, for many years welder, was memorialized.

N. H. Bell, leading producer San Francisco agency Provident Mutual Life, world traveler and lecturer, described Christmas Eve in Shepherds' Meadows, Bethlehem, in 1937.

Great American in Changes

PITTSBURGH—A. S. Daughtridge, special agent Great American, has been transferred to Florida with headquarters at Lakeland. He will be succeeded here by R. E. Stenger, formerly of the New York office. Mr. Daughtridge has been in Pittsburgh for two years.

MacLean Enters Kentucky

Thomas A. MacLean has been appointed Kentucky state agent for National Union Fire succeeding G. C. Dick, who has resigned because the health of Mrs. Dick necessitates locating in a more favorable climate.

After graduating from the University of Wisconsin in 1924, Mr. MacLean became connected with Michigan Inspection Bureau. Then he went with the North America in the Chicago western

department as an engineer. Later he was transferred to Omaha to conduct field supervisory work for National Security Fire, a North America company.

National Union headquarters will be continued in the Starks building, Louisville. Mr. MacLean will be assisted by W. C. Bryan, engineer, who has been connected with National Union for several years.

Start Indiana Study Class

George W. Mercier, Hanover, most loyal gander of the Indiana Blue Goose, announces that the educational committee has submitted a plan for study which is tentatively scheduled to start Jan. 14. The program will not be limited to inland marine insurance as originally contemplated but other subjects as well will be in the course. Meetings will be held every other week on Saturday afternoons in the Indianapolis Board of Trade Library. Thirty minutes to an hour will be allowed for the lecture and another period will follow for questions and open discussion. The subject of the first session will be inland marine personal property floater, with members of the Indiana pond as speakers. Attendance will be restricted to members. V. M. Armstrong, attorney, is chairman.

Veteran State Agent Dies

Hugh W. Kirkpatrick, long Virginia state agent Atlas at Richmond, died in a taxi returning from a trip. He was a victim of angina pectoris. Mr. Kirkpatrick had supervised Virginia for the Atlas for 16 years. He was a brother of the late Walter Kirkpatrick, Atlanta, associated for some years with the Jerome and Brown general agency there, and brother-in-law of Casper Whitner, associate manager southern department Hartford, Atlanta. Before going with the Atlas, Mr. Kirkpatrick was special agent Virginia rating bureau, and previously special agent Piedmont Fire.

Hoelting Wins State Agency Post

A. U. Hoelting has been appointed state agent for Home of New York in Washington and northern Idaho with headquarters in Seattle. Washington was formerly under the jurisdiction of W. B. Rasmussen. He now will confine his operations to Oregon with headquarters in Portland. Mr. Hoelting has been with Home of New York since 1924 and in recent years has been special agent with headquarters in Seattle.

Oklahoma City Xmas Party

The annual Christmas splurge of the Oklahoma City Blue Goose was held with about 200 ganders, their wives and guests, present. A formal dinner was followed by dancing and card party. Special recognition was given T. Ray Phillips, America Fore, past most loyal grand gander; and H. C. Seitz, independent adjuster, current deputy most loyal grand gander.

Observe Holidays at Wichita

The Sunflower Blue Goose at Wichita is providing for a needy family for Christmas. M. E. Butler of the North America, assisted by Geo. L. Steeples, Home, and C. C. Crow of Underwriters Adjustment, are in charge. The puddle is holding its annual New Years "Stag" starting with a "dutch lunch" on Dec. 31. G. M. Montgomery, Western Adjustment, is in charge.

Home Expands in Indiana

R. R. Eddy and A. J. Etzel have been appointed special agents for Home of New York in Indiana. Mr. Eddy has been connected with the Illinois Inspection Bureau for the past eight years while Mr. Etzel has been special agent in the service department of Home at the New York office since 1931. Previously he was with the New York Fire Insurance Rating Organization.

Mrs. Jennie E. Thomas, 87, mother of G. H. Thomas, special agent of the Aetna Fire, died in Columbus, O., after a six weeks' illness.



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Greetings

The happy Holiday Season is close at hand. May it be a most joyous one for you all with a "Merry Christmas," a "Happy New Year" and a heart full of cheer and hope.

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PERSONALS

B. W. Noble of the insurance and re-insurance brokerage firm of B. W. Noble Ltd., of London was in New York City last week after an extensive business trip which included the Far East. He sailed for England on the Aquitania Saturday.

Francis H. Schweer, 70, life-long resident of Newport, Ky., and Cincinnati, died at his home after a six weeks' illness. He was the father of J. F. Schweer, secretary Cincinnati Fire Underwriters Association, and a brother of L. J. Schweer, Cincinnati superintendent of the Ohio Inspection Bureau, and L. H. Schweer, retired Ohio fieldman for the Automobile. Mr. Schweer retired some time ago after a half-century association with the American Tool Works, Cincinnati.

Col. Joseph Button, former Virginia commissioner, now manager of the Stock Company Association with Washington headquarters, who was stricken while attending the convention of the National Association of Insurance Commissioners in Des Moines, is now under treatment at Stuart Circle Hospital in Richmond, Va. His condition is reported to be improved.

R. R. Chapman of New York, secretary Corroon & Reynolds, left this week for his old home in Minneapolis, accompanied by Mrs. Chapman, to spend the holidays with his mother.

Arthur W. Lewis, well known field man in Indiana and more recently representing the Underwriters Adjusting Company of Indianapolis, is in the hospital, facing a possible operation.

F. A. Henry, Sr., local agent of Ripley, Tenn., died at his home there. Born at Woodville, Tenn., in 1856, he later moved to Ripley, where he engaged in the mercantile business. In 1898 he established the agency of F. A. Henry & Co., in which he was active until a year ago. Mr. Henry was United States commissioner and city magistrate at Ripley at the time of his death.

Two sons, F. A. Henry, Jr., of Hicks, Brady & Henry, general agents, Nashville, and Fredrick Henry of F. A. Henry & Co., Ripley, and four daughters survive. Mr. Henry was widely known among field men and company officials, his agency being one of the oldest in the state.

John A. Carlson, late secretary in charge of the Pacific Coast department of America Fore, was extremely active in insurance affairs of San Francisco for many years. He served extensively on the earthquake committee of the Pacific Board and helped build the present earthquake rates, rules and regulations from their beginning. As a member of the farm committee he joined in the development of the new system of handling this troublesome class of business which is credited with having brought the farm line out of the red for the first time in many years. He gave much attention to the study classes sponsored by Fire Underwriters Association of the Pacific. He was an ardent sportsman and was connected with a number of clubs and groups working for the conservation of wild life in the far west.

Mr. Carlson suffered a severe illness in the spring of 1937 but he had apparently entirely recovered and the onset of his last illness was a surprise. Dr. S. J. Nilson, in charge of the medical department at the America Fore head office went to San Francisco at the request of President B. M. Culver and spent a week with Mr. Carlson in an effort to be of assistance.

M. E. Gale, president of the M. E. Gale Agency, Baraboo, Wis., is observing his 25th anniversary in the business.

Illinois Acquisition Cost Questionnaire Expected Soon

A penetrating questionnaire is being prepared by the Illinois department for the purpose of developing close information as to the acquisition cost situation in the state for all types of fire and casualty business. The questionnaire will probably be sent to the companies right after the first of the year. Committees representing various branches of the business have been conferring with insurance department representatives frequently in recent weeks and the whole problem of acquisition


cost in Illinois is very much of a current issue. Much confusion exists. All sorts of proposals for reform and change have been advanced for various branches of the business. The attitude of Insurance Director Palmer has been variously represented.

That Mr. Palmer intends to try to get some sort of action to reduce acquisition cost seems certain. One story is that Mr. Palmer favors 25 percent commission to all producers for practically all types of business and a top expense ratio exclusive of taxes for fire and casualty companies of 40 percent.

Another story is that Mr. Palmer is threatening to force the consolidation

of all the fire insurance rating machinery in the state. He apparently is attempting to force voluntary action on the part of the companies by threatening to have legislation enacted in the forthcoming session of the Illinois legislature that would specify permissible rates of commission and would give the department vastly more power over rates than it now possesses.

The **Northwestern National** has declared the regular quarterly dividend of \$1.25 and also voted an extra dividend of 75 cents per share, both payable Dec. 31. Total payments for 1938 will amount to \$5.75 per share, as compared with \$5 paid the previous year.



WHAT ABOUT YOUR WORLD ?

A man's world is his business. Men with vision, men with definite objectives, build big worlds, big businesses. They build their own worlds wherever they happen to be, welcoming the help of experts in producing more and better business. Men without vision scorn help and are left cramped in the petty worlds they disdain to improve.

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PHILIP D. GENDREAU

Casper Agents Endorse Clark for Commissioner

CASPER, WYO.—The Casper Association of Insurance Agents endorsed Irving E. Clark, district manager Mutual Life of New York, for the post of insurance commissioner. He is one of six or seven men who have their "hats in the ring." There is no indication as to who will get the appointment. It is generally believed the appointment will not be made until after the new governor goes into office. It must be ratified by the state senate before its adjournment.

Agent Enters Field Work

J. P. Keiser becomes special agent Cooling - Grumme - Mumford Company, Indianapolis, general agent for a number of fire and casualty companies. He has sold his interest in the Rohleder & Keiser agency, Mishawaka, Ind., to Howard Thornton and the agency name has been changed to Rohleder-Thorn-ton Co.

Hold Aviation Meeting

BOSTON—New England Blue Goose had an aviation meeting with Francis MacBarron, American Airlines, describing development of the business. Joseph Atwood, most loyal gander, described

his recent trip by plane to attend the grand nest meeting in California.

Lastrapes Joins Desmarais & Co.

Harold L. Lastrapes, well known Louisiana field man, has joined the John P. Desmarais & Co. general agency of New Orleans as special agent with headquarters in Opelousas.

Bowen in Oklahoma for Hartford

Dale C. Bowen has been appointed special agent to assist George E. Wyatt, special agent in northern Oklahoma for Hartford Fire and Citizens, taking over the territory traveled by T. F. Gafford, retired. Mr. Bowen will have headquarters in the Petroleum building, Oklahoma City.

Mr. Bowen began his insurance career as a clerk with Hartford Live Stock in 1930 and transferred to Hartford Fire in 1933, first serving in several underwriting divisions as a map clerk and later as assistant examiner and examiner.

Motion pictures of football games played by the University of Minnesota were shown at a joint luncheon meeting of the Blue Goose and the Insurance club of Minneapolis.

Leo B. Miller, Michigan state agent for the Meserole companies, has established permanent headquarters in 406 Mortgage & Bond building, 5 West Larned street, Detroit.

AS SEEN FROM CHICAGO

HENDRICKSEN NEW CHAIRMAN

H. D. Hendricksen is the new chairman of the Fireman's Fund Underwriters Association in the western department at Chicago, elected at the annual meeting, instead of L. F. Fritz, as was stated in an article. Mr. Fritz was chairman in the last year. E. J. Dowling is vice-chairman and E. J. Burns, secretary.

MACARTHUR BUYS FIRE INSURER

Alfred MacArthur, president of Central Life of Illinois, has purchased the charter of Traders Mutual Fire of Illinois. This is a company that has been inactive for a good many years. The charter has changed hands several times. Mr. MacArthur states that he is not yet ready to announce his plans in the fire insurance field.

AWARD PHOTO SALON PRIZES

Prizes have been awarded in the photographic salon which opened recently in the Insurance Exchange, Chicago, under auspices of the Insurance Exchange Camera Club and has created much interest. Frank S. Coffin, of Moore, Case, Lyman & Hubbard, won first in the ad-

vanced amateur class, A. C. England, assistant comptroller Pearl-American fleet, first for amateurs and T. M. Jones, first in the candid class. The Pearl-American staff ran away with the salon, besides Mr. England, W. E. Bischoff and Janet Murray winning prizes. Hamilton Loeb of Eliel & Loeb won honorable mention.

FRANK POST IS HOSPITALIZED

Frank Post, news editor of THE NATIONAL UNDERWRITER in charge of the copy desk and editor of the "Accident & Health Review," is in Passavant hospital, Chicago, where he must undergo an abdominal operation this week. Mr. Post suffered an attack two weeks ago. A preliminary operation was performed and since that time his physicians have been getting him in shape for the second one.

C. F. THOMAS MEXICO-BOUND

C. F. Thomas, manager of the Western Underwriters Association, is on a vacation trip in Texas and Mexico. For years he has been going to Texas at every opportunity and for the last three years or so he has been wooed by the Mexican scene.

LIPPINCOTT TO HEAD SOUTH

R. R. Lippincott, assistant manager at the head office of Western Adjustment, is leaving the day after Christmas for a vacation in Palm Beach, Fla.

MARY BROCKWAY TRANSFERRED

Mary R. Brockway, secretary to V. L. Gallagher, western department manager of the Pearl-American fleet in Chicago, is being transferred to San Francisco as secretary to David M. Barry, Pacific Coast branch manager. She plans to leave Chicago Friday. She was honored by associates at several parties and presented gifts. Formerly she did secretarial work in the America Fore western department at Chicago.

J. H. WALKER MAKES CHANGE

NEW YORK—John H. Walker has been appointed inland marine special agent for Corroon & Reynolds and will make his headquarters in Chicago. He will supervise the Chicago business as well as do field work in adjoining territory. He is a son of J. K. Walker of Moore, Case, Lyman & Hubbard, Chicago, and graduated from Washington & Lee University in 1931.

His first experience was with America Fore and in 1934 he went with Alan H. Bonito & Co., being placed in charge of its Cleveland office. In 1936 he was transferred to the field and since that time has been traveling in Ohio, Indiana, Kentucky and other middle-western states from Chicago. For the past five years Mr. Walker has devoted himself exclusively to the inland marine business.

Taking Control of Agency

LOUISVILLE—Robert W. Snyder, Jr., of the Brown & Martin agency, who has held a half interest in the business for a year or so, is taking over the other half interest and will be sole owner. Companies in the agency are being notified of the change. Mr. Snyder is a nephew of the late F. H. Brown, one of the founders of the agency, and is a son of R. W. Snyder, Sr., head of Snyder Brothers General Agency, Louisville.

Brokers Educational Course

NEW YORK—For the benefit of those desiring to equip themselves as brokers, the Insurance Society of New York will inaugurate a new educational course Jan. 31.

C. P. McCaffrey of Kansas City, special agent in western Missouri for Home of New York, is confined in St. Mary's hospital at Tucson, Ariz. Convalescence will require several weeks.

W. Hugh Sanders, Richmond, Va., local agent, has been elected to the board of supervisors of Henrico county.

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SAN FRANCISCO 200 Bush Street	

VIEWED FROM NEW YORK

By GEORGE A. WATSON

McKESSON & ROBBINS INSURANCE

There has been considerable interest since the exposure of the financial situation of McKesson & Robbins, the well known wholesale drug house as to its insurance. Treasurer Thompson of the company who apparently had suspected that all was not well had demanded the insurance policies covering the stock that the firm was supposed to own and had stored. He was not able to obtain the policies. As a matter of fact, there was not the merchandise on hand that was claimed.

The insurance manager of McKesson & Robbins, J. Albert Robinson, was something of a thorn in the flesh to the stock companies. Almost all the insurance was carried in participating companies. Mr. Robinson took an active part in the insurance section of the American Management Association and at its annual meetings was rather penetrating in his analysis of insurance problems. At one time he served as vice president of the insurance section. Following the expose of the concern, its receivership and reorganization, the insurance is now being placed in stock companies.

George E. Melsha of New York Underwriters makes the interesting observation that the seat of the trouble in McKesson & Robbins could have been discovered years ago had the accountants checked the fire insurance coverage. He points out that if the accountants had made an investigation they would have noticed that no insurance was carried on the crude drug inventory supposedly stored in various warehouses.

Mr. Melsha contends that no financial statement is worthy of the name unless it reveals the amount and type of insurance carried, especially where large inventories are at stake as in McKesson & Robbins. He suggests that the advisability of such a procedure be brought to the attention of SEC.

F. E. POTTER MAKES FIELD TRIP

F. E. Potter, secretary and general adjuster for Home of New York, has returned to the head office after making visits in Denver, Minneapolis and Chicago.

BROOKLYN BROKERS DANCE JAN. 31

The Independent Brokers Association of Brooklyn will hold its annual dinner-dance at the Park Manor in Brooklyn Jan. 31.

LIST BIG FIRES IN NOVEMBER

The New York "Journal of Commerce" in its list of November fires has these estimated to have cost \$100,000 or more:

Columbus, N. J., milling plant, water plant, farm supply company, five dwellings and 15 freight cars, \$200,000; Rockville Center, N. Y., church, \$125,000; Burlington, Pa., almshouse, \$100,000; Clairton, Pa., chemical plant, \$150,000; Huntingdon, Pa., two business and apartment buildings, \$100,000; Benington, Vt., three business blocks, \$100,000; Whitesville, W. Va., coal tippie, head house and conveyor, \$200,000; Roanoke, Ala., oil mill, railway station, several freight cars and warehouses, \$200,000; Wabbaseka, Ark., five tank cars of gasoline, \$250,000; Swainsboro, Ga., court house, \$150,000; Grand Cane, La., four business buildings, \$100,000; Kentwood, La., school, \$110,000; Corpus Christi, Tex., refinery, \$100,000.

Also: Melrose Park, Ill., department store \$100,000; Peoria, Ill., four factories, \$525,000; Waterloo, Ia., five stores, \$150,000; Dodge City, Kan., machine works, \$100,000; Owensboro, Ky., distillery plant, \$2,000,000; Columbus, O.,

sash and door and wheeling corrugated plant, \$150,000; Los Angeles, hotel and dwellings, \$5,000,000; McCloud, Cal., lumber plant, \$500,000; Lance Creek, Wyo., Continental Oil pipeline pumping station, \$100,000.

CAROLS FOR WILLIAM STREET

With the installation of special broadcasting equipment on the executive floor of Home of New York passersby and neighbors of the home office building will hear caroling presented by the home office glee club. Following the custom originated last year when carolers sang throughout the building, this year they will start on the top floor, singing on each floor thereafter. The program lasts over an hour, following which the carolers will be guests of President H. V. Smith for luncheon.

The singing will be done under the auspices of the glee club, with 45 male voices. The chorus is under the direction of Joseph Barrick and the president is Russell Blair. The loud speakers will be installed on the outside of the building on William street, as well as on Maiden Lane. The special broadcast will take place from 10:10 to 10:25.

South Carolina Deplores A Narrow Provincialism

The South Carolina Association of Insurance Agents in "Palmetto Insuror" deplores the tendency among many local agents and local boards, even state associations, to force contractors and other buyers of insurance and bonds to place their business geographically without regard to arrangements of long, satisfactory standing. The complaint is made that agents endeavor to force all the business locally regardless of where the financial or operating headquarters are or what the desire of the assured is in the handling of his insurance. The "Insuror" says, "If local agents do not quit instigating so many laws and regulations to dam the flow of real insurance service we predict that the federal government will adopt legislation to weaken the police powers of the 48 states. We, in South Carolina, still believe in states rights but we must take care not to abuse them by a narrow provincialism. Unfair, uneconomic combines in restraint of public service to insurance buyers give shiners to us all."

Paramount Makes SEC Filing

The Paramount Fire of New York has filed with SEC the required registration statement. The company is to have 50,-

000 shares of 25 cents cumulative preferred stock, par value \$1, and 2,500 shares common stock, par value \$100. The preferred will be offered at \$1 per share, and the common at \$200.

Collins Heads Albany Field Club

New officers of the Albany Field Club are president, E. T. Collins; vice-president, James A. Semple; secretary, Arthur Rizy; treasurer, R. H. Seckendorf.

New Kemper Unit Not Yet Launched

American Motorists Fire for which a charter was obtained by the James S. Kemper interests several months ago, has not as yet been organized nor does the management have any immediate plans to put it in the field. American Motorists of the Kemper group is a stock casualty company that has been making gains.

Reinsurance Corporation of New York has declared a dividend of 32½ cents per share, payable Dec. 27, to stock of record Dec. 17. Total dividend payments for the year amount to 40 cents. During 1937 dividends aggregated 50 cents.

Convention reports on the St. Paul Fire & Marine, the Mercury and the Saint Paul-Mercury Indemnity will be made public in January.

The Capital Fire of Sacramento, Cal., has been admitted to do business in Arkansas. L. P. Cryer of Little Rock was named agent for process service.

Merry Christmas

To you, as friend to friend, we say
in print what we wish we could say
in person — a Merry Christmas.
Ohio Farmers Insurance Company

WANTED! SECRETARY-STENOGRAPHER

Executive of large Casualty Insurance office wants capable secretary who is competent stenographer; who is neat in appearance; alert; willing to work overtime if necessary without feeling mistreated; salary accordingly. No beginners nor clock watchers need answer. Give complete details as to history, age, marital status, experience and salary expected.

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will become Members, and the

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HARTFORD, CONNECTICUT

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which will then be composed of the following companies

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Aetna Insurance Co., Hartford, Conn.
Automobile Insurance Co., Hartford, Conn.
Boston Insurance Co., Boston, Mass.
Fidelity & Guaranty Fire Corporation, Baltimore, Md.
Hartford Fire Insurance Co., Hartford, Conn.
Insurance Company of North America, Philadelphia, Pa.

National Union Fire Insurance Co., Pittsburgh, Pa.
North River Insurance Co., New York, N. Y.
Phoenix Insurance Co., Hartford, Conn.
St. Paul Fire & Marine Insurance Co., St. Paul, Minn.
Travelers Fire Insurance Co., Hartford, Conn.
United States Fire Insurance Co., New York, N. Y.
Westchester Fire Insurance Co., New York, N. Y.

CASUALTY COMPANIES

Aetna Casualty and Surety Co., Hartford, Conn.
Century Indemnity Co., Hartford, Conn.
Hartford Accident & Indemnity Co., Hartford, Conn.
Maryland Casualty Co., Baltimore, Md.

New Amsterdam Casualty Co., Baltimore, Md.
Travelers Insurance Co., Hartford, Conn.
Travelers Indemnity Co., Hartford, Conn.
United States Fidelity & Guaranty Co., Baltimore, Md.

ASSOCIATE FIRE COMPANIES

Alliance Insurance Co. of Philadelphia, Pa.
Atlantic Fire Insurance Co., Raleigh, N. C.
Birmingham Fire Insurance Co. of Pittsburgh, Pa.
Central Fire Insurance Co. of Baltimore, Baltimore, Md.
Central States Fire Insurance Co., Wichita, Kan.
Charter Oak Fire Insurance Co., Hartford, Conn.
Citizens Insurance Co. of New Jersey, Jersey City, N. J.
Connecticut Fire Insurance Co., Hartford, Conn.
Equitable Fire & Marine Insurance Co., Providence, R. I.
Mercury Insurance Co., St. Paul, Minn.
Minneapolis Fire & Marine Insurance Co., Minneapolis, Minn.

National Security Fire Insurance Co., Omaha, Neb.
New York Underwriters Insurance Co., New York, N. Y.
Northwestern Fire & Marine Insurance Co., Minneapolis, Minn.
Old Colony Insurance Co., Boston, Mass.
Philadelphia Fire & Marine Insurance Co., Philadelphia, Pa.
Piedmont Fire Insurance Co., Charlotte, N. C.
Standard Fire Insurance Co., Hartford, Conn.
Twin City Fire Insurance Co., Minneapolis, Minn.
World Fire & Marine Insurance Co., Hartford, Conn.

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as

General Agents in Kentucky

for the

NEW ENGLAND FIRE INSURANCE COMPANY

Pittsfield, Massachusetts

A Member of the Springfield Fire & Marine Group



These two former New York insurance superintendents got in front of H. H. Fuller's camera at the recent mid-winter meeting of the National Association of Insurance Commissioners in Des Moines. J. A. Beha, now an attorney in New York, is at the left and G. S. Van Schaick, who is now vice-president of New York Life, is at the right.

Standard of N. Y. Elects G. Z. Day

(CONTINUED FROM PAGE 3)

earnest manner. Mr. Day is a hard worker. He is resourceful in the field and in inside administrative work and is well liked.

Before his connection with the Tokio he was with the Crum & Forster organization. He advanced through several positions with that group and was assistant manager of the southern department when he left to go with the Tokio.

Mr. Couch has been with the Tokio 15 years. He was first located in New York operating the metropolitan department there and then 13 years ago went to Chicago to take charge. He has built the office into one of the major branches in the city, doing a million dollars premium. About a year ago he was given jurisdiction of territory in some of the surrounding states. Before going with the Tokio he was connected with E. D. Hall & Co., of New York.

Mr. Day arrived in New York Wednesday of this week after having been in San Francisco for some time and then spending a few days in Chicago.

Qualifications Main Topic at Nebraska Meeting

(CONTINUED FROM PAGE 3)

effective local board operation. He told how harmony was restored to the local organization through dividing public insurance on a percentage basis, with even smaller agencies participating though they are not board members. The Fremont Board cooperates on matters of every nature. A service committee has been appointed which makes surveys for each department, and every policy is correctly written. Joe Greenberg, Omaha, executive committee member, took Fremont and Lincoln agents to task for not broadening and extending their efforts instead of living so much within themselves.

Takes Up Inland Marine

A question the small-town agents often ask, "Is there a place for inland marine in the small-town office?" was answered by Gordon Linke, marine

manager western department American of Newark. It has been demonstrated, Mr. Linke said, that inland marine has a definite place in the small agency. Smaller agents generally do not push it because they don't understand it. It is not necessary that the agent know everything about the coverage. Mr. Linke suggested small-town agents sit down and figure out the few businesses in their communities that would be inland marine prospects, study up only on the lines fitted to these prospects. He said past experience demonstrates the small agent writing inland marine can increase his annual premium income \$300 or more.

Rural Agents Topics

Speaking to rural agents especially, M. A. Boettcher, Columbus, commented especially on the new fire policy, which offers opportunity to farm writing agents. The companies have gone a long way in giving the agents something to sell in this new policy, he said. He said there should be adjustment in rates on P.L. and P.D. on farm-owned cars. Topics to be discussed at coming Business Development meetings, he suggested, are new developments in coverage, rates, and sales methods; farm fire prevention and organizing for rural fire protection; proper distribution of coverage on both building and personal properties; how to retain or regain public business; inland marine, and governmental insurance competition.

The executive committee decided the annual convention which usually takes place in May, will be held either in Kearney or North Platte in 1939.

Blackall Addresses Kiwanis

HARTFORD—If the whole structure of insurance were destroyed overnight, the first thing the people would have to do would be to resurrect it, Commissioner J. C. Blackall of Connecticut told the Kiwanis club at a meeting. He spoke briefly on the structure and great scope of insurance, touching all life and property in the country in one way or another. He gave statistics about Connecticut insurance, noting there are 6,888 licensed agents in the state, of whom 4,011 are listed as fire agents.

In referring to possible appointees for Ohio insurance superintendent, the correspondent of The National Underwriter confused the name of R. H. Beetham of Cadiz, O., with another, Mr. Beetham has been dead for some time.

Dauwalter Becomes Heir Apparent

(CONTINUED FROM PAGE 5)

its inception. A successor as head of the B.D.O. has not been decided upon. A. R. Menard, formerly a local agent in Macon, Ga., has been Mr. Dauwalter's right hand man in the B.D.O.

Nationally Prominent

Mr. Dauwalter has attained national prominence and an acquaintanceship in the fire insurance business among field men, local agents and others that is probably second to none in the business, while he has been connected with B.D.O. He has been on the circuit time and again, addressing meetings, holding conferences in the field and his trips have taken him into every section of the country.

Before taking over the B.D.O. work, Mr. Dauwalter was in the service of the Royal-Liverpool. For several years until 1930, when the Liverpool & London & Globe ceased writing farm business, Mr. Dauwalter was in charge of the farm department of L. & L. & G. with headquarters in Chicago.

Created Own Position

After L. & L. & G. got out of the farm business, Mr. Dauwalter was shifted to the special service department. In some ways that was a rather indefinite assignment but Mr. Dauwalter is a man of tremendous imagination and energy and he made the job something that was really distinctive. He developed what is now known as the Dauwalter formula for measuring the relative security of companies and this yardstick he made available to the Royal-Liverpool organization and it attracted the attention of the business generally.

When the B.D.O. was organized as a joint enterprise of the stock fire com-

Promote Remote Control Xmas Party



ROSSE CASE



ALEX H. CASE

Rosse Case and Alex H. Case of Marion, Kan., on Christmas Day are promoting their annual remote control Christmas party. At one minute past 12 o'clock eastern time, and at the corresponding hour in other parts of the country, those in the Case Christmas party will raise their glasses and have

a friendship toast. The same group has been brought together by the remote control of Rosse Case for a good many years. His son is now joining in the undertaking. Alex Case is president of the Kansas Association of Insurance Agents and Rosse Case is a past president and is still active in that organization.

panies and the National Association of Insurance Agents, Mr. Dauwalter was the man and the success of the B.D.O. project must be attributed in large part to his personality.

Mr. Dauwalter is a grass roots insurance man. He started as a youngster in the agency of his father in Booneville,

Mo. He was an assiduous worker.

Mr. Dauwalter is absorbed in the business. Insurance is something that occupies his mind throughout all of his waking hours. In his B.D.O. work he has had to be something of a propagandist, and he has succeeded at it because he has been completely sincere in what

he has been doing, because he has imagination and because he is a thorough going insurance man.

A successor to Mr. Dauwalter as director of B. D. O. will be selected at a joint gathering of representatives of Insurance Executives Association and National Association of Insurance Agents early in January. Representatives of the I. E. A. upon the control committee are O. E. Lane, president Fire Association; W. Ross McCain, president Aetna Fire; G. C. Long, Jr., president Phoenix of Hartford; B. M. Culver, president America Fore, and C. F. Shallcross, United States manager North British & Mercantile.

The agents association is represented by K. H. Bair, Greensburg, Pa.; W. Owen Wilson, Richmond; Eugene Battles, Los Angeles; W. Eugene Harrington, Atlanta, and A. I. Wolff, Chicago.

M. W. Mays and A. R. Menard are assistant directors of B. D. O. Mr. Mays was appointed when B. D. O. was launched nearly three years ago, and Mr. Menard was named in 1937. Mr. Mays has devoted himself especially to research work. Mr. Menard has engaged in field work. He has addressed gatherings in 23 states.

Mrs. Roosevelt Not to Be Broker

BOSTON—Mild interest attaches to the announcement Mrs. Eleanor Roosevelt, wife of the President, will become a director of the insurance firm of Roosevelt & Sargent in Boston to carry on the interests of her son, James Roosevelt, who has taken up a moving picture career in Hollywood. Under the state law, insurance department officials state, Mrs. Roosevelt would be required to register as a broker if she desired to participate actively in the writing of insurance in this state, and up to the present time no broker application for registration has been received from her.

Hawks & Co., Baltimore, has been incorporated at 608 Munsey building, by P. L. Hawks, Abraham Rostov and S. W. Schwartz.

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FIRE and ALLIED LINES

EDITORIAL COMMENT

Speaking a Word of Fellowship

AT this CHRISTMAS season when humans strive for a moment to release their feelings for one another from prose into poetry, those in THE NATIONAL UNDERWRITER desire to be face to face with their readers, to speak out from

the ink and type in personal comradeship, as literally as possible to greet all to whom this paper is a weekly incident with the warmth of fellowship, and to voice the hope that these may be days to enrich their spirit.

Responsibility of Directors

SINCE the expose of the condition of the well known wholesale drug concern of New York City, McKesson & Robbins, whose stock was actively traded on the exchange and also since the SEC charges against Fidelity Investment Association of Wheeling, which has thousands of investors throughout the country making payments on the monthly plan, many people are taking the position that directors of companies of this type should be held more strictly accountable. It would be impossible for a director to approve the financial statement gotten out by an auditor or chief accountant because he has not had the knowledge of the books. At the same time a director certainly should be keen enough to sense any irregularities or dangerous policy in his corporation.

Many companies feel that it is highly desirable, largely as window dressing, to have as directors men prominent in bus-

iness, financial or professional life. Many of these seldom attend directors meetings. They lend their names, however, and people realizing the importance of these men rely on the institution largely because of their connection with it. Therefore, the public is misled unless the director gives sufficient time to his corporation to learn something about it and to ascertain whether its affairs are being orderly conducted and well administered.

It is often found after some wrong doing has been discovered that a company has a battery of directors, prominent and widely known, yet it is a question whether many of them have made much effort to fill the office with any degree of personal attention. The presence of famous names may not mean that a company is what it should be. There should always be directors who really direct.

Mr. Farley and Public Relations

WE hear much these days about public relations and the necessity for insurance in all its branches to tune itself in accord with public sentiment and to create the right kind of an attitude toward the business. While many do not subscribe to the political tenets and achievements of Postmaster General JAMES A. FARLEY, yet he is a man who has succeeded at least in appealing to a great section of the public. In the new book that has come from his hand, "Behind the Bal-

lots: The Personal History of a Politician," Mr. FARLEY gives some wholesome advice and suggestions that public relations men might well consider. As he describes himself, "He is an old fashioned fellow who was brought up in a small town and who still believes that the only way to get ahead in public life is to understand people and sympathize with their viewpoint." This is an attitude which creates friendliness and gets results, in politics and elsewhere.

Much Reliance Placed on "Hunches"

WHILE "hunches" may not be a correct guide to follow in reaching true conclusions yet many people rely very much on these rather mystic or unexplainable phenomena. It probably comes from stored up experience. A person has traveled along the road and has met various problems, overcome difficulties and with the lessons learned he has es-

tablished certain conclusions. Therefore when something unexpected comes before him without much profound thought, almost in a flash, he has a "hunch" what he should do. It is always well to take into consideration these "hunches." They are intuitive and come from the subconscious sphere which performs many miracles.

Closer Relations with Credit Men

ONE of the modern developments in insurance, both from the administrative and business getting standpoint, is the closer relationship with credit men. Insurance is the

backbone of credit. Without proper protection there would be chaos in business and credit would be in an inchoate state. Recently a group of insurance men have been interesting themselves in effecting a more understanding relationship of credit to insurance and have endeavored to point out to those particularly responsible for passing on credit to appreciate the necessity of bringing up the insurance subject in connection with establishing the credit of a

customer.

THE NATIONAL ASSOCIATION OF CREDIT MEN has evinced a very cordial interest in the subject. A series of forum meetings have been held in a number of cities whereby local agents and credit men have sat down and talked over their mutual problems. These have been constructive and informative. They have developed a feeling of good will and both sides are learning much from the other.

PERSONAL SIDE OF THE BUSINESS

W. S. Keese, Jr., Trotter, Boyd & Keese, has been elected a director of the Chattanooga Chamber of Commerce.

Paul L. Haid, president Insurance Executives Association, will spend Christmas with his son, Paul, at Tucson, Ariz., returning to New York immediately thereafter.

Robert S. Campbell, Wichita, Kan., local agent has been named chairman of the 1938 "President's Ball" for Sedgwick county. Campbell is president of the Wichita Junior Chamber of Commerce.

Nearly 200 employees of the Braniff companies and their families were entertained by Mr. and Mrs. **T. E. Braniff** at "Wildewood," their home in Oklahoma City, for the annual Christmas social event. The affair was in the form of a "Hollywood party."

Although it will continue to be published from the office of John D. Saint, manager of the Tennessee Association of Insurance Agents, Inc., with the January issue, **Leslie M. Ross,** of Gallatin, will be editor-in-chief of the "Tennessee Booster," which begins its seventh year of publication.

The **A. M. Raymond** family of Oak Park, Ill., is now providing man-power in numbers for the Travelers. A. M. Raymond has been Chicago manager of Travelers Fire ever since that company was organized 13 years ago. He has had two sons connected with Travelers and at the first of the year a third son, John W. Raymond, will become connected with the cashiers' department of the St. Louis branch. Until recently he was connected with the Inland Steel Company.

Richard T. Raymond has charge of the group service department in Seattle and W. W. Raymond is a contract agent for Travelers in the Oak Park branch. There is a fourth son, Thain Raymond, who has so far resisted the Travelers call.

S. S. Sanborn, secretary of Merrimack County Mutual Fire of Webster, N. H., died at the age of 53.

W. C. Hall, Sr., vice-president of Herberich-Hall-Harter agency of Akron, O., who has completed 50 years as a local agent in his city, was feted by officers and directors of the agency and their wives at a dinner in Akron, Monday evening. Mr. Hall was born in 1865 in Cuyahoga Falls, O., and entered the insurance business in 1888 with W. H. Rowlen. Then three years later he became associated with George L. Harter,

operating as Hall & Harter. In 1894 that agency purchased the H. P. Hitchcock agency. In 1919 Hall & Harter merged with the D. Herberich Company, forming the present agency. Mr. Hall is a charter member of the Akron Rotary Club and Akron City Club and was one of the first members of the Portage Country Club. He is vice-president of Akron Savings & Loan Co., president Central Associated Realty Company, president Akron Guarantee Mortgage Company, past president Akron Masonic Club.

The honor of being chosen first mayor of the new city of Robbinsdale, Minn., goes to an insurance man, **Joseph W. Roche.** He is manager of the Security State Bank agency and active in Robbinsdale affairs for many years. Robbinsdale was formerly a suburb of Minneapolis.

Ross E. Coffin, of Gregory & Appel, Indianapolis, president Indiana Association of Insurance Agents, has been appointed secretary Indiana Safety Council by Governor Townsend. This is a state commission.

George Blank of the Adams agency of Sault Ste. Marie, Mich., who is credited with having been the oldest agent in point of service in his city, died of a heart attack at the age of 76. He had been in the insurance business since 1891. At that time he purchased an interest in the Johnson & Williams agency. He later purchased the partner's interest and conducted the business alone. About 23 years ago he joined John P. Old in the firm of Old & Blank. In 1933, Mr. Blank became connected with the John N. Adams Company. He was a member of the first city council of Sault Ste. Marie.

Arthur H. Smith, veteran local agent of Napa, Cal., who started in the business as a boy, became one of the first special agents for the Continental's farm department on the Pacific Coast and produced over the years more premiums for the Continental than it had in assets in 1890, is celebrating two golden anniversary events. Last November he and Mrs. Smith observed their 50th wedding anniversary. In December he celebrated his 50th year in the insurance business. Still active, and a leading producer in northern California, Mr. Smith is credited with having been the guiding spirit in organizing the Napa County Association of Insurance Agents, first county-wide local agents association in the United States.



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The
Season's Greetings
to one and all



OTHO E. LANE, President



FIRE ASSOCIATION OF PHILADELPHIA

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1938

A YEAR OF PLEASING
EXPERIENCES AND
CONTACTS—MOST
SATISFACTORY AS
WE LOOK BACK

1939

FURTHER OPPORTUNITIES
FOR HELPFUL SERVICE—
A PLEASING PROSPECT AS
WE LOOK FORWARD

CORDIAL GREETINGS FOR
THE HOLIDAY SEASON

KANSAS CITY
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EMPLOYERS REINSURANCE CORPORATION

E. G. TRIMBLE, President
HOWARD FLAGG, Executive Vice President

The NATIONAL UNDERWRITER

December 22, 1938

CASUALTY AND SURETY SECTION

Page Seventeen

Radicals Retain Control of Birmingham Bar

Faction Promoting Noisy War on Insurers Wins Election

BIRMINGHAM, ALA. — By a vote of 122 to 94 the Birmingham Bar Association elected Hugh A. Locke president over M. M. Baldwin and resolved vigorously to prosecute its case against a score of insurance companies and adjusters. Other bar associations in the state were invited to join in the fight to "retain the practice of law to lawyers."

The lawyer-adjuster issue sprang up to divide the association into two camps after Baldwin, one of the candidates for president, through his law firm became attorney for Fire Companies Adjustment Bureau, one of the defendants in the bar association suit. Baldwin was vice-president and by a custom of 20 years standing was due to be elevated to the presidency. But the nominating committee turned him down and nominated Locke. Baldwin was then nominated from the floor and the argument began.

Purgers Were Very Vocal

The faction favoring a "purge" of the "unauthorized practice of law" was very vocal in its efforts and drew out almost its entire strength. The more conservative company and corporation lawyers on the other hand did not poll more than half of their strength.

Retiring President Roderick Beddow presented a stirring appeal for the continuation of the drive to exclude insurance claim adjusters and others from what is considered the practice of law.

"If we continue to manifest the lethargy and indifference in the future we have in the past with reference to encroachments upon the legal profession, the practice of law will be devoured by a group of irresponsibles not accountable to anyone. In this connection claim agents and adjusters are boldly making the assertion they are more competent to deal with situations that are peculiarly a function of the lawyer than the licensed practitioner is."

Beddow added that "lawyers have been bamboozled by trust companies and sandbagged by lay practitioners and assaulted from the rear by title companies until they are losing faith in everything except brute force." He declared that "absorption of the practice of law is spreading like a prairie fire."

Says Articles Were "Scurrilous"

Beddow charged that "infamous and scurrilous articles" had been written by agents and adjusters and published in insurance magazines and that "some have been written by adjusters with the aid of lawyers who have done so with a sense of smug security, because they

(CONTINUED ON PAGE 24)

Sees Threat of Insurers Being "Joined" in U. S. Court

The possibility of companies writing liability insurance being joined in suits by claimants against policyholders under the new federal court rules was discussed by J. E. Tarrant, general counsel Louisville Railway Co., before the Louisville Claim Men's Association. Mr. Tarrant's discussion was printed in full in "The Insurance Counsel Journal."

Until recently, Mr. Tarrant pointed out, the lower federal courts had no rules of their own, being required to follow the practice of the courts of the state in which the case was heard. In the majority of states, it is well settled that a company writing liability insurance cannot be made a defendant in a suit against the assured by a person claiming damages and hence this question did not arise in federal court as long as state procedure was followed. However, uniform rules have now been adopted for all federal district courts and Mr. Tarrant fears that some of these provisions may be construed as permitting insurance companies to be joined as defendants in accident suits, unless insurance counsel are alert to establish a favorable precedent in the first few important cases under these rules.

Claimant's Rights Under Policy

As a result of legislation or departmental rulings in most states, Mr. Tarrant pointed out, practically all liability policies now give a claimant a direct right of action against the insurance company if a judgment based on an accident covered by the policy has been secured against the assured and is unpaid. In the majority of states, the claimant must file a separate suit against the company after he obtains a judgment against the policyholder. Mr. Tarrant pointed out, however, rule 18 (b) of the new federal rules provides that two claims may be joined in a single action, even though one claim will exist only after the other one has been successfully prosecuted. This rule, plus the language of rule 20, which prescribes who may be proper parties, may, in Mr. Tarrant's opinion, be held to authorize specifically joining of an insurance company in a suit against an assured.

It may also be possible, Mr. Tarrant continued, for the assured to have the insurance company joined in suit. Rule 14 states that a defendant may ask the court for permission to join in the suit a person who is not a party to the original act, but who is or may be liable to him or to the plaintiff for part or all of the amount involved. While in the ordinary case the assured would have no reason to wish to bring the insurance company into the action, Mr. Tarrant pointed out that assured may make trouble for the company in cases where the company has denied liability, sought to handle the case under a reservation of right, or refused to make a settlement within the policy limits, and also where there is collusion between the claimant and the assured.

Suggests Policy Change

To avoid these situations, Mr. Tarrant suggested that the wording in most liability policies prohibiting the joining of the insurance company in suit should be strengthened. The standard automobile

liability policy, at the end of the condition giving a claimant the right to sue the company after a judgment against an assured has been unpaid, states that nothing contained in the policy shall give any one a right to join the insurance company in suit against the policyholder. Mr. Tarrant suggested that this should be reworded to state specifically that no right of joinder shall exist. Likewise, since it has recently been established that a federal court must follow the substantive law of the state in which it sits, Mr. Tarrant suggested that in many states insurance companies have acquired a legal right of not being joined in suits and that this may be held to be a part of the substantive law, rather than a matter of procedure.

Insurance companies may also be able to avoid joinder in suits by demanding a separate trial to avoid prejudice. Rules 42 (b) and 20 (b) permit the judge to order a separate trial of any defendant in order to prevent prejudice. The only reason for a claimant's attorney wishing to join the insurance company in suit is to let the jury know that the defendant has insurance. It has been held in many courts that knowledge that the defendant has liability insurance creates a prejudice against him and this may be cited as grounds for demanding a separate trial. Likewise, if the insurance company admits liability under the policy, it can ask for a separate trial on the ground that its ultimate liability is not an issue. If it is denying liability, it can ask for a separate trial on the ground that its liability or non-liability will depend upon issues not involved in the suit of the claimant against the assured. The insurance company can also, if its liability is in issue, file a suit for a declaratory judgment to determine this fact.

WOULD END HINTING

Nebraska Bar Association Seeks to Limit Insurance Suggestiveness

LINCOLN, NEB.—The special committee of the Nebraska Bar Association named to cooperate with the American Bar Association on reforms in judicial procedure recommends that in cases involving insurance drastic changes be made. Despite the fact that in Nebraska in the trial of personal injury cases it is improper to inject the insurance feature it is often been brought before jurors in their voir dire examinations as to their insurance connections. The committee suggests that the supreme court promulgate this as a rule of practice:

"Upon demand of an attorney for any party having a case for trial, there be submitted to each member of a jury panel at the commencement of his service a written questionnaire that would fully disclose all possible affiliations with insurance companies; that these questionnaires should be made available to counsel having cases for trial; that it should only be proper to interrogate jurors as to their affiliations with insurance companies when their written questionnaire discloses such connection; and that by the adverse party consenting to

D. F. Broderick Now Becomes Factor in Casualty Field

Buys Great Lakes Casualty of Detroit from Michigan Commissioner

DETROIT—On its bid of \$440,000, D. F. Broderick, Inc. of Detroit was awarded the stock of Great Lakes Casualty of this city, which has been held by the Michigan insurance commissioner for the benefit of creditors of the old Central West Casualty. The Broderick bid was the only one submitted. The sale was consummated after delay of several weeks from the time that Commissioner Gauss of Michigan indicated his intention to dispose of the stock so that he could move towards winding up the affairs of Central West Casualty.

Mr. Broderick for some time has indicated a desire to enter the casualty company field. His office controls the placing of the insurance on automobiles financed by Commercial Investment Trust and Universal Credit Company. Mr. Broderick and his associates organized Dearborn National of Detroit and then later they purchased Service of Brooklyn and increased its capital to \$1,000,000.

The statement is made that Mr. Broderick intends to have the present official organization continue; that the operations of the company will be unchanged and that the new owners will increase capital and surplus so that the company may expand its services.

Was Organized in 1933

In 1933 Central West Casualty was placed under a rehabilitation order in charge of the Michigan Department, and Great Lakes Casualty was organized with a capital of \$300,000 and a surplus of \$200,000 to take over the good will, staff, agency plant, equipment and supplies of Central West. Great Lakes capital stock consisted of 30,000 shares with a par value of \$10. Of that amount 80 shares are owned by the directors and 29,920 by Central West Casualty which are held by the Michigan commissioner as custodian. It is this Great Lakes capital stock which has now been sold, thus removing the control of the company from the Michigan commissioner and placing it in strong private hands.

Armstrong Crawford, president of Great Lakes, has been its guiding genius from the beginning. He was formerly executive vice-president of the old Central West and was for many years manager of its Chicago branch. He has thus had an extended training, both as an executive and in the field.

(CONTINUED ON PAGE 24)

the challenging of such juror, the interrogation of such juror as to insurance be prohibited."



INFORMAL POSES AT COMMISSIONERS CONVENTION

Top row (left to right)—Sam Boykin and his grandfather, F. N. Julian, Alabama commissioner, Mrs. B. F. Screws, daughter of Mr. Julian; A. J. Rouillard, New Hampshire commissioner; Jess G. Read, Oklahoma commissioner; C. W. Lovejoy, Maine commissioner.

Second row—H. A. Joyce, deputy commissioner Maryland; (inset) Lorenz Jost, Illinois department; Mrs. W. S. Hanna, Mr. Hanna, Maryland commissioner; J. V. Barry, New York; G. W. Wells, Jr., secretary Northwestern National Life. Pictures by H. H. Fuller, deputy U. S. manager Zurich.

CASUALTY VIEWS

No Local Business Premium Eats Up Profit

In a recent issue, in commenting on the appeal of the American Association of Insurance General Agents to the casualty and surety executives to change the title of "general agent" so that it would not merely mean all offices to which top commissions were paid regardless of whether they did any supervising work or not, the statement was made there were probably not any real casualty general agents who only did supervising. The American association does not allow in its membership any general agency that writes local business.

Herbert Cobb Stebbins, secretary American Association of Insurance General Agents advises that there are some members of his association that are supervising casualty general agents and do not write any local business. In other words, they are not in competition with local agents. It might be said that those members of the American Association of Insurance General Agents that do real supervisory work are confronted with the fact that local agents in their own territory get as high commissions as they do but are called general agents. The members of the American association find an incongruous condition, therefore, when they, as general agents, are confronted with local agents throughout their territory who are paid general agency commissions.

There are some general agents of casualty and surety companies that do not write fire that are writing no local business, they perhaps are few.

The American Association of Insurance General Agents takes the position that it is just as inimical to the general agency system of operation for a general agent to compete with a local agent for casualty business as for fire and its allied lines. The point is made that if a general agent competed with his local

agents for casualty business they would resent it just as much as if he competed with them for fire business. Therefore, the general agents who are dependent upon local agents for business cannot compete with them for either fire or casualty business in fairness, say the officials of the American association.

UNPREDICTED CONTINGENCY

How a surety company must reckon with every contingency before agreeing to write a bond is well illustrated in the bid of a western contractor to tear down the Sixth avenue elevated structure in New York City. The bid was for \$80,000. The contractor figured that he could sell the salvage, especially the steel, for about \$300,000. That would give him a nice profit. However, the city at once demanded that the contractor provide property damage and other insurance that would protect the city from all claims. When the premium was figured it was found that it would go almost up to the \$300,000 limit.

PROPERTY DAMAGE CLAIMS

Surety companies issuing bonds providing for property damage in case of excavation or tunneling often have unusual claims made. For instance, in Chicago the drainage district had a tunnel and the sidewalk caved in. This resulted in the street being closed until proper repairs could be made. It took some weeks before the street was open for passage. Along the street was a service station. The owner made a claim on the principal and surety for loss of his business during this period which ran up into considerable money.

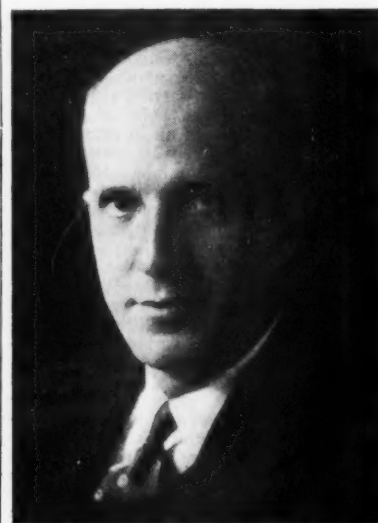
Notice Not Given in Time

MADISON, WIS.—Notice of an accident given 33 days after it occurred does not comply with the provision of an automobile policy which requires that notice of the accident be given the company as soon as practicable, according to the ruling of the Wisconsin supreme court in the case of Parrish vs.

Phillips and Commercial Casualty. Parrish was injured Dec. 23, 1936, in Menasha. He won a judgment of \$5,167 in circuit court. The supreme court ruled that the motion of the Commercial Casualty for a directed verdict in its favor should have been granted because the notice was not in time.

V. R. Williams, Winchester, Tenn., local agent, is sponsoring a school students' essay contest on safety with Jan. 16 as the closing date. A similar contest last January drew several hundred entries.

American Automobile Advancements



O. L. SCHLEYER

O. L. Schleyer is the new president of American Automobile and American Automobile Fire. He takes the place of L. A. Harris, who becomes chairman of the board.



OTTO PATTERSON

Otto Patterson, vice-president, now has the title of executive vice-president. Prior to their promotions Messrs. Schleyer and Patterson were both vice-presidents.

Oregon Truck Exchange Is Suing California Exchange

SALEM, ORE.—The action brought by Truck Insurance Exchange, an Oregon corporation, against Truck Insurance Exchange and Truck Underwriters Association of Los Angeles has been set for trial before Judge Lewelling, Jan. 25. The Los Angeles concern is a reciprocal, writing truck insurance. It is affiliated with Farmers Automobile Inter-Insurance Exchange. The Oregon corporation charges the Los Angeles operators with committing acts of commercial piracy.

G. M. Fox is president of the Oregon corporation. He is an experienced truck insurance man. For some years he was manager of Markel Service, the truck service concern of Richmond, Va. A. D. Cutler is vice-president and W. B. Yates, secretary of the Oregon concern.

The complaint alleges that the Oregon corporation filed the name "Truck Insurance Exchange" with the clerk of Multnomah county, Ore., with the secretary of state of Oregon and the United States patent office, and thereafter it built up an organization serving 2,000 truck owners. All of this business was "acquired" by the Los Angeles concern, according to the complaint "by devious and round about manner the exact nature and manner of which to the plaintiff unknown."

Mr. Fox stated that he got in touch with a Portland, Ore., representative of Farmers Automobile Inter-Insurance Exchange who arranged an interview for Mr. Fox with an officer of the Los Angeles concern in Portland. At that time, it was agreed, according to Mr. Fox, that Farmers Automobile Inter-Insurance Exchange would develop California while Mr. Fox and his associates develop Oregon, both for the benefit of the Oregon corporation and for the purpose more rapidly to obtain the 2,500 subscribers necessary to the issuance of a license by the Oregon department.

About two months later, according to Mr. Fox, he heard that Farmers Automobile had gone into the truck business. In 1935, Farmers Automobile, according to Mr. Fox, notified the Oregon department that they were entering the truck field and named Truck Underwriters Association as attorney-in-fact for Truck Insurance Exchange with the same officers as those named in the attorney-in-fact organization for Farmers Automobile.

Asks Support for Preferred Risk Plan

NEW YORK—W. H. Brewster, assistant automobile manager of National Bureau of Casualty & Surety Underwriters, in addressing a meeting of the General Brokers Association pleaded for support on the part of producers of the preferred risk rating plan for automobile insurance that went into effect in New York, Dec. 1.

Mr. Brewster contended that all hands should give the plan every chance of success and that means prompt submission of applications by insured, brokers and agents and expeditious completion of accident record requests by insurance company employees.

Those who got the plan up, he said, endeavored to establish procedure that would be effective and at the same time would involve a minimum of extra detail. He said that some objection has been made to the requirement for a signed application, but he pointed out that there is precedent for it in life insurance and accident and health. The requirement is reasonable, he said. If the company writing the risk is able to obtain the accident record for the experience period from the previous carriers, the need for the application is eliminated. The accident record request and report form has been drafted to simplify handling and transmittal between companies, he declared.

George F. Sullivan was reelected president of the General Brokers Association at this meeting. All other officers were reelected as well.

Cover "Rose Bowl" Liability

A blanket liability policy with \$100,000/\$300,000 limits has been written by the Indemnity of North America covering the Pasadena, Cal., tournament of roses pageant and Duke-U.S.C. football game, in the rose bowl Jan. 1. Welsh & Gates and James K. Ingham & Co., Pasadena agents, originated the line. Grand stand and bleacher seat owners have taken out individual policies with various companies.

Rain insurance has been written on the rose bowl game in the past but this year nothing has yet been done along this line.

Denies Aid of States Is Sought

E. J. Schofield, chairman of the acquisition cost conferences, in referring to an article in the Dec. 8 edition containing the statement that in the present program to bring about a reform in acquisition costs in various parts of the country, "where possible, the cooperation of the state insurance department will be sought," declares:

"The acquisition cost conferences are voluntary organizations, designed to assist the industry of insurance in its effort of self-regulation and so far as I know no definite plan which involves the general principles of seeking the aid of the states has ever been used."

Virginia Bureaus Meet

Members of the Workmen's Compensation Inspection Rating Bureau of Virginia and Virginia Auto Rate Administrative Bureau held their annual meeting in the office of Superintendent Bowles, who was ex-officio chairman. Only routine business was transacted. There are 79 auto rating companies and 55 workmen's compensation companies in the two bureaus, with E. E. Cadmus as manager.

Financial Responsibility Bill

OLYMPIA, WASH.—The standard automobile financial responsibility law will be introduced in the forthcoming legislative session of Washington, according to Douglas Shelor, manager of Automobile Club of Washington. At the last session the bill passed the house but failed in committee in the senate.

Factors in Detroit Company Sale



D. F. BRODERICK

D. F. Broderick this week became a factor in the casualty business through his purchase of the stock of Great Lakes Casualty which has been held by the Michigan department for the benefit of creditors of the old Central West Casualty. Mr. Broderick is the controlling factor in two fire insurance companies, Dearborn National and Service Fire and he operates a potent agency with head-



ARMSTRONG CRAWFORD

quarters offices located in Detroit.

Armstrong Crawford, the president of Great Lakes Casualty, has made a record. He was largely instrumental in having Great Lakes organized in 1933 and he has superintended its progress since that time. He has advertised the company especially as a specialist in handling unusual and comprehensive liability coverages.

Cooperatives, Says Ray Murphy, Menace Mens' Jobs

The expansion of cooperative or mutual organizations in the United States threatens the American principle of private enterprise and the jobs of millions of workers, according to Ray Murphy, assistant general manager Association of Casualty & Surety Executives, who addressed a meeting of casualty and surety managers in Washington, D. C. The direct selling methods of such institutions, he said, "aim to liquidate economically millions of salesmen, clerks and other workers engaged in distribution of products and merchandise, eliminate newspaper and magazine advertising, cut out store rentals and wipe out overhead employment."

So far as insurance is concerned, he said, the stock companies can live under any sort of an economic system. They can absorb change but the agents are the middle men whom the mutual principle would liquidate economically. The cooperative movement would liquidate retailers in other lines who are comparable to local agents in insurance, he said.

Mr. Murphy said that the hardware men started a hardware mutual insurance movement on the theory that it was cheaper and eliminated the middle man. Now these same hardware men are being eliminated from business as unwanted middle men.

Conscience Fund Is \$100 Greater

The conscience fund of Maryland Casualty will be enriched by \$100 following a letter from a physio-therapist who, after 17 years, asked that he be permitted to repay that sum to clear his conscience before he died.

For several months in 1921 he treated an injured claimant who was insured under a Maryland policy. He was allowed a fixed fee for each visit. "The patient was very irregular in keeping appointments, but I charged the Maryland for all the missed appointments," the therapist wrote. "I estimate that the missed treatments amounted to about \$100, which amount, according to my conscience, I was not justified in collecting."

Boston Investigating Claim of Unethical Practices

BOSTON—Charges that two attorneys were in collusion with a member of the surgical staff in 100 insurance cases involving patients at the Boston city hospital were made to Mayor Tobin by the finance commission resulting in an investigation of conditions at the hospital. Only insurance cases which reached courts were included. Many were settled outside.

It was charged a practice has arisen of notification sent from the hospital to claim attorneys immediately upon admittance of accident patients and special favors were shown certain attorneys. Names of two Boston lawyers were sent to the bar association grievance committee by hospital trustees along with a complaint they had solicited accident cases and participated in other unethical practices at the hospital for nearly two years.

May Revise Texas Compensation

Governor Allred of Texas announces that he will ask the legislature to revise the compensation law so as to give the findings of the industrial accident board a greater degree of finality and to give that board some control over the companies that write compensation insurance.

Indianapolis Safety Program

G. H. Poske, assistant secretary of American States, was chairman of the program committee which has submitted to the citizens safety committee of Indianapolis a 22-point program for the promotion of traffic safety. Committees have now been appointed on the various subjects covered in the report and are now engaged in carrying forward the recommendations. The program committee has been highly praised in its city for the valuable work that it has done.

Aetna Life Employees' Bonus

Some 6,600 home and branch office employees of the Aetna Life affiliated companies will share in the \$500,000 bonus by company directors. Employees will get half a month salary.

Harrington Makes Law Proposals

BOSTON—Commissioner Harrington of Massachusetts has filed a number of legislative proposals with the legislature.

In connection with non-cancellable accident and health policies, Mr. Harrington favors enactment of the requirement that notices be sent to the assured of premiums due. Some of the companies have been suspected of deliberately failing to send such notices in the hope that the assured would forget about the date, thus giving the insurer an excuse to shake itself free from the risk.

Mr. Harrington favors a law giving him the power to regulate the rate of interest charged by concerns that finance auto liability insurance premiums on the installment basis.

Mr. Harrington proposes a bill to prevent interlocking directorates between auto liability insurers, agencies and financing companies and providing that no officer, incorporator, agent or employer of an insurer may be interested in either the agency or a financing company.

Another recommendation is that all premiums subscribed for the purpose of starting a new mutual fire company must be paid in cash before the company can be licensed.

Big Insurers Move Toward the Hospitalization Field

NEW YORK—At a joint meeting of members of the governing, statistical and underwriting committees of the Bureau of Personal Accident & Health Underwriters, drafts of two forms of hospitalization policies were considered, and will now be submitted to member companies for final review.

Dover Casualty Cited by SEC

Securities & Exchange Commission has ordered a hearing for Jan. 9 to determine the relationship between Dover Casualty of Wilmington, Del., Associated Gas & Electric Co., Associated Gas & Electric Corp. and Associated Utilities Corporation.

Dover Casualty as of Dec. 31, 1937, reported assets \$1,583,345, premiums reserve \$89,006, claim reserve \$164,291; capital \$450,000; net surplus \$806,510; net premiums written \$207,718, losses incurred \$56,961, expenses \$56,023. J. G. Bragdon is president and E. D. Mustor secretary.

The proceedings were ordered for the purpose of determining whether it is necessary to declare these companies to be affiliates. At the same time there will be a hearing on the application of Dover Casualty for an order declaring that it is not a subsidiary of the other three concerns.

To Hold Stag Party Feb. 10

The annual stag party of the Chicago Accident & Health Association will be held Feb. 10. The place and program have not been determined. R. B. Kegley, Moore, Case, Lyman & Hubbard, is chairman of arrangements.

To Get Buffalo Coverage

BUFFALO, N. Y.—Liability and property damage insurance on all the city's automotive equipment exclusive of that belonging to the city hospital, will be carried under one master policy with the General Accident after next September, according to J. L. Downing, purchase director. Distribution will be through various local brokers.

Ready for New Home in Pekin, Ill.

Within 60 days Farmers Automobile Association of Pekin, Ill., will be housed in its new home office building. It is a two-story structure, of brick, fireproof construction, modern in every respect with air conditioning summer and winter, and sound proof ceilings.

ACCIDENT AND HEALTH

Plan Interesting Meeting at Chicago in January

Delegates from local associations throughout the country are expected to attend the mid-winter meeting of the National Accident & Health Association in the Hotel La Salle, Chicago, Jan. 23-24. The program promises to be very interesting.

E. C. Budlong, executive secretary, announced the session Monday afternoon will be in charge of W. B. Cornett, field director Loyal Protective Life, member Columbus association and first vice-president National association.

Tuesday morning the management session will be in charge of E. H. (Count) Mueller of the Pacific Mutual, Milwaukee. A sales congress will be conducted in the afternoon under auspices of the Chicago Accident & Health Association. Clay Lundquist, Fred S. James & Co., co-chairman with E. H. Ferguson, Great Northern Life, of the sales congress committee Chicago association, will be in charge of the arrangements for the congress.

U. S. F. & G. to Carry Certain Assured Beyond Age 70

United States Fidelity & Guaranty announces that personal accident coverage on present policyholders may be arranged under certain circumstances after the assured reaches the age limit of 70. Any assured in classification A, B or C may have his present full coverage policy replaced either by the so-called guaranty accident policy or the guaranty income accident policy of U. S. F. & G., if past experience has been satisfactory and a new application is completed. The assured must still be engaged in a regular occupation producing an earned income. He may not secure reimbursement indemnity on the over age policy.

The replacement policy shall not exceed in principal sum or weekly indemnity the policy previously in effect, nor shall any replacement policy exceed a principal sum of more than \$10,000 or a weekly indemnity of more than \$75. U. S. F. & G. may approve renewal to age 75, subject to the status of the risk, but retains its right to discontinue at any time. There will be no increase in premium because the risk is over 70 inasmuch as replacement policies will be issued and renewed at manual rates. No reduction in commission is required.

Act of Utah Medical Plan

SALT LAKE CITY—A statement prepared by the Salt Lake Accident & Health Club and signed by President O. Lyle Hiner, Mutual Benefit Health & Accident, commends the new insurance program of the Utah State Medical Association but notes that the insurance companies are now offering superior protection at somewhat lower rates. The statement will be considered for adoption at the club's meeting. The medical association rates are announced as \$10.80 a year for an individual, \$18 for man and wife and \$24 for an entire family, while typical commercial rates for group hospitalization is \$6 for an employee per year, \$7.20 additional for his wife and \$3 for each son and \$3.60 for each daughter. The commercial plan provides cover of contagious diseases, while the medical association does not.

Carl K. Kroge of the Business Men's Assurance, who has been secretary of the club, has resigned and Sheldon Christensen, agency supervisor California-Western States Life, succeeds him.

Dallas Company Pushes A. & H.

DALLAS — Great American Reserve of Dallas, since changing from a mutual to a legal reserve company a year ago, appears to be setting a record in accident and health business. The company, while writing life insurance, is featuring the accident and health lines, and claims

its number of applications for that coverage in the past year was second among all companies doing business in Texas.

President Wallace said the 13 leading field men averaged 40 applications each for health and accident lines last month. The company wrote between \$400,000 and \$500,000 life business this year.

The concern was organized as Great American Mutual Accident & Health in 1935 and changed to a legal reserve company a year ago. Its capital is \$25,000 and its surplus about the same amount.

The officers are Travis T. Wallace, president; C. O. Hambleton, secretary-treasurer, and H. T. Hawkins, medical director.

J. J. Crane Joins Walker-Hiner

John J. Crane of Salt Lake City, assistant manager Metropolitan Life, has resigned to become agency supervisor of the Walker-Hiner agency of United Benefit Life and Mutual Benefit Health & Accident covering Utah and Idaho. He has been with Metropolitan Life seven years. The Walker-Hiner agency has just won a wall plaque awarded for beating seven other agencies in life production during manager's contest in October and November with a production of \$446,000, which was the highest percentage over their quota of any agency in the United States.

Rescinds "Hospitalization" Order

ATLANTA, GA. — Commissioner Harrison of Georgia has rescinded his order prohibiting life, health and accident companies from writing contracts designated as "group life and hospital service," "hospital expense policy," "group hospitalization," and "hospital benefit policies," which indemnifies the holder of the policy against hospital expense or paying for hospital expense. The original order was protested by the Georgia Association of Insurance Agents, and life, health and accident companies.

Discuss '39 A. & H. Week Plans

A preliminary meeting to discuss plans for National Accident & Health Week, April 24-29, was held in Chicago this week by several members of the committee. Present were H. R. Gordon,

Chicago, executive secretary Health & Accident Underwriters Conference, chairman of the committee; F. B. Alldredge, Los Angeles, Occidental Life; Earl Brink, Detroit, Mutual Benefit Health & Accident; C. H. Davis, Chicago, Pacific Mutual Life; E. H. Ferguson, Chicago, Great Northern Life; Thomas Hook, Detroit, Standard Accident; and G. R. Kendall, Washington National.

A meeting of the entire committee will be held in Chicago Jan. 25.

Michigan Doctors Back Plan

LANSING, MICH.—A bill to establish a health insurance association has been drafted by a special committee of the Michigan State Medical Society. The measure will be introduced in the legislature which convenes Jan. 4. Association members would be assessed on income and the number of dependents.

Hospital insurance moves are also gaining in the state. A committee of the United Hospitals Council at Grand Rapids is studying a proposal that is expected to lead to adoption of a hospitalization plan there.

Lloyds Policies Are Reworded

Due to the requirement of the Illinois insurance code of use of standard provisions in accident and health contracts, Lloyds of London is recalling its existing accident policies in Illinois and substituting new ones which conform to the standard wording. Coverage is declared to be the same as that previously given. Lloyds has a considerable accident volume in Illinois, largely over-age business and policies carrying large amounts of principal sum only.

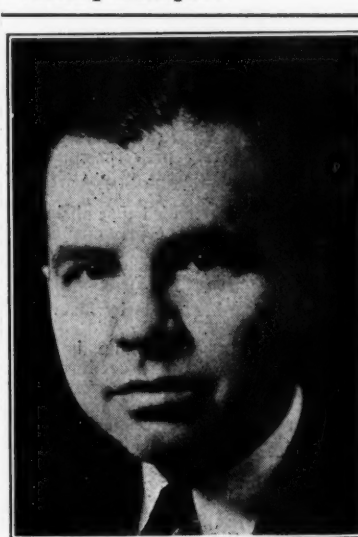
San Francisco Xmas Luncheon

At the annual Christmas luncheon of the Accident & Health Managers Club of San Francisco there was a special entertainment program.

Middle Atlantic Field Split

The territory of Mutual Benefit Health & Accident and United Benefit Life comprising District of Columbia and northern Virginia has been divided between S. F. Stout, formerly manager of the entire district, and Joseph E. Jones, who has been sub-manager. Mr. Stout is opening new offices at Front

Michigan Agency Holds a Victory Banquet



E. B. BRINK

DETROIT—Winning of the managers' contest for best 1938 showing among agencies of the United Benefit Life and Mutual Benefit Health & Accident was celebrated by the E. B. Brink state agency for Michigan at a banquet here. The agency has won the award—and the gold wall plaque that goes with it—five times in the last seven years.

Following dinner congratulations from President C. C. Criss, E. S. Adams, assistant to the president; S. C. Carroll, vice-president; Floyd Holdren, superintendent of agencies; Hubert Carden, agency supervisor; Richard Long, chief underwriter, Mutual Benefit and Frank Finch, chief underwriter, United Benefit were brought by telephone hookup.

The principal speaker at the banquet was W. E. Huggins, veteran superintendent of claims for both companies. The Michigan agency's life production was \$1,200,000 in 1933, the year before Mr. Brink took command; \$4,501,000 in 1935, and \$7,015,000 in 1937 and accident and health premium volume in 1937 was \$414,000.

Royal for the supervision of northern Virginia while Mr. Jones will handle District of Columbia and two adjoining counties.

First Aid Methods Explained

DETROIT—A representative of the American Red Cross explained first-aid treatment to the Detroit Accident & Health Association at a luncheon. E. W. Owen, manager Sun Life, who is retiring in January, was an honored guest. G. E. Reitzel, Michigan Life, presided.

Stahl Has Christmas Party

Fifty representatives of the Brace M. Stahl agency at Madison, Wis., of the Great Northern Life, and their wives attended a luncheon and Christmas party at which guests included E. P. Oertel of the home office and C. C. Raisbeck, general agent at Wausau, Wis.

Charter for the Southern Life & Accident was filed at Chattanooga. Incorporators include C. W. Bowers, G. C. Knox, R. V. Williamson, F. H. Atchley, Carter Hartman, C. C. Woolsey and Antimo Parisi. Officers will be elected later.

Fiftieth Course Scheduled

HARTFORD — During 1939 Aetna Casualty will complete its 50th casualty and surety sales course. The next session begins Jan. 16, and continues to Feb. 18. Succeeding sessions are dated March 6 to April 8, April 24 to May 27, June 12 to July 15, Aug. 14 to Sept. 16, Oct. 2 to Nov. 2, and Nov. 13 to Dec. 16. Some 1,600 have completed the course.



VIEWS FROM COMMISSIONERS CONVENTION

Top row (left to right)—Mrs. J. M. Duke, Dallas; Mrs. J. R. Plummer, Dallas; Mrs. R. G. Waters, Austin, Tex.

Second row—J. B. Moor, D. of C. commissioner; O. B. Hunt, Pennsylvania commissioner; O. E. Erickson, North Dakota commissioner. Pictures by H. H. Fuller, deputy U. S. manager Zurich.

FIDELITY AND SURETY

Write Nebraska Treasurer's Bond: Asks Investigation

LINCOLN, NEB. — Fifteen companies participated in the \$1,000,000 bond for Dr. T. W. Bass, state treasurer-elect, which has been approved by the governor. The premium for the two years will be \$10,000, and a commission of \$3,000 will be paid by the companies to the participating agents. The Fidelity & Casualty, U. S. F. & G., Glens Falls Indemnity, Indemnity of North America and the Hartford Accident each retains \$100,000; Fireman's Fund, \$75,000; Fidelity & Deposit, Standard Accident, New Amsterdam, Royal Indemnity, American Surety, Maryland Casualty, Globe Indemnity, Great American Indemnity each has \$50,000, and the Eagle Indemnity \$25,000.

W. H. Jensen, retiring state treasurer, in his annual report to the governor, recommends that suit be brought against predecessors in office back to 1931 for losses which he says were sustained in the handling by the treasurer of bonds exchanged, purchased and sold. Jensen says he has reason to believe from a study of the records that in some cases good bonds were exchanged for poor ones with knowledge that this was true. He made no estimate of alleged losses.

Hutchinson Named New Head

NEWARK — H. M. Hutchinson, American Surety, was elected president of Casualty Underwriters Association of New Jersey, at the annual meeting here, succeeding H. D. Meyer, who served for two years. Other officers elected are: Vice-president, J. F. Comerford, Maryland Casualty; secretary, John Durling, Standard Accident; treasurer, G. H. McKelvey, (reelected). Plans are under way to conduct a progressive program in the new year, especially in regard to legislative matters.

Seek Repeal of Bond Act

Repeal of the Wisconsin statute requiring tavern keepers to post a \$1,000 bond to guarantee payment of any fines that might be levied for violation of liquor laws, is asked in the legislative program adopted by the Wisconsin Tavern Keepers' Association. The supreme court has held the statute does not make the entire bond forfeitable in case of conviction, as the attorney-general had maintained in suits filed against bonding companies.

Writes Los Angeles Bond

The Glens Falls Indemnity has written the performance and payment bond for Johnston & Perscallo Co., which was awarded contract on low bid for improvement of Olympic boulevard by the Los Angeles city department of public works at a price of \$344,087.

Consider Legislation at Portland

PORTLAND, ORE.—At the annual meeting of Surety Association of Portland measures affecting surety interests to be presented at the next session of the legislature were considered.

Des Moines Club's Party

DES MOINES—The Casualty & Surety club held its annual Christmas party, this being a stag with a luncheon. M. A. Jamar, Massachusetts Bonding, and H. H. Haynes, club secretary, were in charge of entertainment.

Hold Party in Pittsburgh

PITTSBURGH—More than 100 insurance men attended the Christmas party of the Surety Association here. Members of other insurance organizations were guests.

Confer With Ohio Bankers

COLUMBUS O.—A committee of the Ohio Association of Insurance

Agents and a committee representing the Ohio Bankers Association held a conference here on bankers blanket bonds. Rates and forms were discussed. Another conference will be held later.

Favor Standard Bus Equipment

ST. PAUL, MINN.—Traffic safety leaders met here to consider the school bus problem and agreed that one of the first things to be done is to start a movement for standardization of school

bus equipment. Among the insurance men present were W. J. Goswitz of the St. Paul Fire & Marine, Gene Harrington of the Farmers Automobile, Otto P. Koentopp of the Employers Mutuals, and C. B. Pinney and Paul Speakman of the Anchor Casualty.

State Farm Agents Meet

Virginia agents of the State Farm companies held their annual meeting in Richmond for two days with approximately 150 attending. Principal speakers were R. P. Mecherle, president State Farm Mutual Auto, Bloomington, Ill., and A. W. Tompkins, agency vice-pres-

ident. Reports showed Virginia stood second in the campaign for a million or more policies by 1944 among the states in which the companies are entered. H. E. Baumberger, state director, was commended for his efforts. Speakers at the annual banquet included Commissioner Bowles of Virginia and G. E. Allen, Richmond attorney.

Actuarial Examinations May 17-18

NEW YORK—Examination of candidates for associate membership in the Casualty Actuarial Society will be held May 17-18. Application blanks may be secured from Richard Fondiller, 90 John street, New York.



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Many agents and brokers, unable to secure coverage of this type through ordinary sources, have added materially to their

premium incomes by writing the Over Age Accident Contract available through this organization.

Underwritten by prominent underwriters, it covers death, dismemberment and weekly indemnity or death separately. Full details will be sent on request.

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ILLINOIS CASUALTY COMPANY SPRINGFIELD

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CHANGES IN CASUALTY FIELD

Continental Casualty Names Two in New York City

NEW YORK — Continental Casualty has appointed H. J. Just as assistant production manager of its metropolitan New York department. He was formerly with United States Fidelity & Guaranty.

W. E. Coyle becomes a special agent in the metropolitan department. He will devote his entire time to New York City brokerage business. He was formerly with C. W. Sparks & Co. in a similar capacity.

K. O. Saunders Enters New Job

K. O. Saunders has now arrived in Chicago to take up his new duties as resident vice-president of Globe Indemnity. He was escorted to that city by Vice-President W. H. Galentine of Globe. He has been busily engaged in getting acquainted with the Chicago agents. Until recently Mr. Saunders was Cleveland manager of Maryland Casualty.

Freeman Read, resident manager in Chicago for Globe, continues in that capacity.

Crean Appointed Manager

BOSTON—W. S. Crean was appointed casualty department manager of the Hollis, Perrin & Kirkpatrick agency. He has had 16 years' experience in the casualty field, starting at the London & Lancashire Indemnity home office, then coming to the Boston office as underwriter and special agent. Later he was special agent Great American Indemnity and Massachusetts Bonding, and for the past three years has been with Associated Mutuals.

Hardware Companies Split

MINNEAPOLIS—About the middle of January the Minneapolis office of Hardware Mutual Casualty of Wisconsin will move to new quarters in the Northwestern National Bank building. It has been occupying space in the home office building of Hardware Mutual Fire of Minnesota which recently announced severance of business association with the Wisconsin company and has organized its own casualty company, Hardware Indemnity. W. J. Bannitz is Minneapolis manager for Hardware Mutual Casualty.

Rowland to Philadelphia

PITTSBURGH — E. H. Rowland, supervising engineer in the Pittsburgh office of the Travelers, has been transferred to the Philadelphia branch. He has been here for nine years. A. W. Caven of the Pittsburgh office will be acting supervising engineer for the present.

Paine Joins Mid-America Casualty

M. K. Paine of Webster City, Ia., has been appointed field representative for northwest Iowa for the newly organized Mid-America Casualty of Cedar Rapids. Mr. Paine is president of the Ray W. Miller Company agency and he will retain that connection.

C. B. Kingman with Standard S.&C.

C. B. Kingman recently joined Standard Surety & Casualty as Michigan special agent assisting State Agent K. J. Scott. Mr. Kingman had been connected with the James Wilson general agency of Kalamazoo, Mich., and prior to that was with Employers Liability.

Standiford Joins Topeka Company

Leslie J. Standiford has been appointed claims attorney for Industrial Mutual Liability of Topeka in its Wichita branch. He has been in the claim department of Lloyds of America for Missouri for the last two years.

Industrial Mutual Liability was li-

censed in September with surplus of about \$26,500. W. D. Jackson is the secretary.

Enlarge Pittsburgh Office

PITTSBURGH—The Maryland Casualty increased its office space on the 10th floor of the Farmers Bank building by 20 percent, and has rearranged the offices due to increased business. R. H. Furner is resident manager. C. J. Burch, inspector, has been transferred to Toledo, O.

William E. Racine, who has been connected with the Kurt Hitke & Co. general agency for Citizens Casualty in Chicago, has now joined H. E. Cotter & Co., Insurance Exchange, Chicago.

ASSOCIATIONS

Adjusters Xmas Party Spirited

More than 400 attended the annual dinner and pre-Christmas party of the Casualty Adjusters Association of Chicago. This is always one of the most spirited and most largely attended of the functions in Chicago at this time of year. Not only do the members attend, but a large number of guests, including doctors who specialize in work for insurance companies, casualty branch managers, lawyers, insurance department representatives and others. An elaborate entertainment program was staged.

W. H. Rutherford, claims manager for Hartford Accident, is the new president.

Some of the companies entertained at cocktail parties prior to the dinner. One of the largest parties was that of Casualty Mutual of Chicago whose claim manager is R. T. Luce, perennial secretary of the Casualty Adjusters Association. Among those at that party were Lorenz Jost, chief examiner for the Illinois department, and Peter J. Angsten, chairman Illinois Industrial commission. E. E. Hielscher, general manager, was the genial host.

L. P. Kristeller of Newman, Kristeller & Zucker, Newark law firm, chairman insurance committee American Bar Association, will speak at the Jan. 11 dinner meeting on origin and development of insurance.

C. R. Royer New Albany Head

C. R. Royer was elected president of the Albany Casualty & Surety Club at the annual meeting. The vice-president is E. A. Mooney; treasurer, W. D. Cornwell, and secretary, Edward Yarter.

H. P. Janisch of Boston, executive advisor of the Service Men's Protective Association, was the principal speaker.

Pabst Host to Casualty Managers

John Pabst was host to the members of the Casualty Managers Association of Chicago at the North Shore Country Club Tuesday evening of this week. This was the annual meeting. Mr. Pabst is the outgoing president. E. I. Fiery, manager Royal Indemnity, is the new president.

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CASUALTY PERSONALS

Frank Potter, field supervisor Aetna Casualty and instructor in the Aetna casualty school, has returned to his work after a severe illness of several weeks.

Vice-president **Kenneth Spencer** of Globe Indemnity, who left for a visit to London a short time ago, is due to return to New York this week.

W. B. Joyce and Mrs. Joyce will celebrate their golden wedding anniversary with a reception at the Savoy Plaza in New York the evening of Jan. 9. For many years Mr. Joyce was an outstanding figure in surety circles; first as general agent of National Surety in the northwest, and later as its president. Since retiring from the presidency, he has been in the brokerage business in New York.

Fred H. Doenges, manager Fidelity & Deposit in St. Louis discussed "Insurance Needs of Banks" at a meeting of the Benton-Pettis Inter-County Bankers Association in Sedalia, Mo.

Andrew W. Milligan, casualty special agent Royal and Eagle Indemnity, in the agency of Field & Cowles, Boston, for 15 years, died. He was well known throughout all New England. Before going with Field & Cowles he was with the Travelers and General Accident.

F. A. Burr, 78 years old and still active, was honored by the Wolverine of Lansing in his home city of Benton Harbor, Mich., because he was one of the first agents appointed by the company when it was formed.

O. Lyle Hiner, Mutual Benefit Health & Accident and United Benefit Life co-manager at Salt Lake City, is active in organization work. He is president of the Salt Lake Accident & Health Club and was recently elected an insurance member of the Salt Lake Lions Club. He is chairman of the insurance committee of the Salt Lake chamber of commerce.

Charles J. Koehn, 64, special agent Woodmen Accident, Lincoln, Neb., was killed in an apparent robbery attempt on the highway between New Lisbon, Wis., and Hustler. He died in a Mauston hospital. He had been shot and beaten, his skull being fractured.

M. Gordon Grahame has returned to his desk in the Rollins-Burdick-Hunter Company agency, Chicago, after being confined for 12 weeks in Ashland General Hospital, Ashland, Wis., recovering from a broken leg suffered in an automobile accident. He is now in pretty fair repair although he is using crutches for a time.

Edmund Dwight, a once widely known figure in casualty insurance, died at his winter home in Pasadena, Cal. He was 82 years old. After some years' association with the fire business in New York City, Mr. Dwight was appointed resident manager there of Employers Liability many years ago, writing for it the first employers liability policy issued in the state. He continued as the sole resident manager until 1913, when he became associated with Charles D. Hilles, as joint manager. That continued for nine years, when Mr. Dwight retired from active business. In appreciation of his services to the organization he was given a desk at the New York City office, which he usually occupied two or three times a year. When a gathering of general agents and resident

managers of Employers Liability was held in New York some two or three years ago, special reference was made by E. C. Stone, general manager, to the contribution of Mr. Dwight to the institution of liability insurance and the latter received a great hand upon being presented to the assembled guests. His outside interest had long been the up-building of the Children's Village, Dobbs Ferry, N. Y., of which organization he was president for 18 years.

Miss Natalie Davis Chaloner, daughter of **R. S. Chaloner**, Minneapolis manager American Automobile, will be married next week to John Edward McElroy, Jr., Montclair, N. J., at Gethsemane Episcopal church, Minneapolis. Miss Chaloner attended Lake Forest College and the University of Minnesota. Following a motor trip through the east, Mr. and Mrs. McElroy will make their home in Montclair.

A new and entertaining book will soon be announced by the House of Field, Fifth avenue, New York City, that is bringing out "Wealth Versus Money" by **E. G. Woelagel**, who will be remembered as secretary of the old Kansas City Indemnity. The plot is an imaginary lawsuit where wealth is asking for damages due to the control of money. It is shown definitely that money is not wealth and that wealth includes spiritual enlightenment. The story attempts to show how the production of insurance has been curtailed by an inadequate and controlled circulating medium; how the institution of insurance is being injured by governmental interference. It is stated that unless corrective measures are applied insurance companies will be compelled to raise rates, face bankruptcy or the government take them over.

It is interesting to know that President Walter Moses and the others principally interested in Pennsylvania Indemnity of Philadelphia sought to induce **Thomas B. Donaldson** to join with them 24 years ago when they were starting the organization as Pennsylvania Indemnity Exchange. At that time Mr. Donaldson was special deputy commissioner of Pennsylvania in charge of liquidation.

Mr. Donaldson has now joined Pennsylvania Indemnity and Pennsylvania Indemnity Fire as executive vice-president. In taking that position he resigned as vice-president of Eagle Fire of New Jersey, the reinsurance company. He was at one time insurance commissioner of Pennsylvania and was president of the National Association of Insurance Commissioners.

U. S. Manager **J. M. Haines** of the London Guarantee & Accident, and Mrs. Haines are leaving Saturday on a West Indies cruise.

Non-Bureau Men Stay Non-Bureau

Representatives of several non-bureau stock casualty companies writing automobile insurance gathered in the office of Chase Conover & Co., consultants of Chicago, the other day to discuss the possibility of using central machinery for making the new statistical reports that are being required of automobile writing companies by the Illinois department effective next year. No action was taken towards putting into effect any such project but Mr. Conover may call the group together at a later time.

The Illinois department is lifting the statistical reporting system of the National Bureau of Casualty & Surety Underwriters and is requiring all companies next year to report on that basis. This necessitates a change in the system employed by non-bureau companies. Most of the independents have adequate machinery at hand to permit them to make the adjustment without inconvenience. However, some of the smaller institutions whose statistical systems have

been rather sketchy, say that the new requirements are onerous and expensive.

The first filing of experience will cover the first eight months of 1939. Although a report is not required until the fall of 1939, the companies must be in a position to take off their experience from Jan. 1 on the prescribed basis.

Iowa Law Prevails in Guest Case

LINCOLN, NEB.—In setting aside a judgment for \$3,250 against the insurance carrier for O. G. Heather, Omaha, the state supreme court holds suits in Nebraska for damages resulting from motor vehicle accidents in Iowa will be governed by interpretation placed on the guest passenger statute of that state by the Iowa supreme court. The evidence failing to support the interpretation that recovery can be had by guests only when the car is operated heedlessly and with lack of care for consequences, the suit must fail.

Cost Meeting Inconclusive

NEW YORK—While the field situation was broadly reviewed at the meeting of the recently appointed special committee of 12 of the casualty acquisition cost conference, no definite program was agreed upon. Another meeting will be held within the next 30 days.

COMPANIES

Egan Retires; McDonald New Mutual President

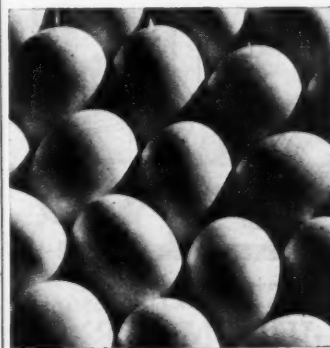
George A. Egan, president of the Lake Shore Mutual of Chicago, which writes P. L. and P. D. on Checker cabs, has resigned and gone to Miami. In his place as president has been elected George McDonald, who has been vice-president, connected with the mutual for seven years. Mr. Egan's contract expired and was not renewed.

Mr. McDonald came up through the cab business, having been connected with a number of taxi companies at Chicago for many years before joining Lake Shore Mutual. He has been most active in the claim end, being connected with accident work for about 20 years.

F. & D. Pays Year-End \$1 Extra

BALTIMORE—Fidelity & Deposit has declared a year-end extra dividend of \$1 payable Dec. 31 to holders of record Dec. 20. This brings total payments up to \$6 for 1938.

Directors of **The Saint Paul-Mercury Indemnity** have declared a regular annual dividend of \$5 a share.



There Is No Such Thing as a
"FAIRLY GOOD EGG!"

When you buy eggs at the grocery you wouldn't accept "fairly good" eggs because eggs are either "good" or "bad." Automobile insurance is something like that. If you are going to sell automobile insurance at all, you should represent a company with financial strength that is beyond question and managed by men who have demonstrated their ability to provide the kind of protection your clients expect from you through good times and bad.

You will also want a company with nation-wide claim service facilities and a reputation for handling claims promptly and fairly.

Weigh also the matter of cost. If you can afford car owners sound economy you will find that your renewals are easier to hold and that your prospects are much more receptive.

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Radicals Retain Birmingham Grip

(CONTINUED FROM PAGE 17)

derive their livelihood from representing clients who employ said adjusters."

In speaking in behalf of Locke's candidacy, John Higgins praised Baldwin as a man and able attorney but referred to Baldwin's firm representing defendants named in the suit and added "we need a man unfettered by duty to his client." Speakers for Baldwin contended that he believed the practice of law belonged to lawyers, and Baldwin himself said that at the time his firm took the case he offered to resign from the bar association committee, but that this was refused.

Baldwin pointed out that it was he who made the motion to employ special counsel to prosecute the suit against J. L. Wilkey, independent adjuster of Bir-

mingham. This was the first suit brought by the bar association as a result of which a judge in Jefferson circuit court enjoined Wilkey from "the practice of law." Wilkey immediately appealed to the supreme court and the case has just been presented with a decision expected the latter part of January.

It was then that the suit was filed against numerous companies employing adjusters, also against three leading adjusters of Birmingham, Fire Companies Adjustment Bureau and Superintendent Julian who was named in a move to put a curb on the licensing of companies which employ other than lawyers as adjusters. This suit first seeks a declaratory judgment as to what constitutes the practice of law and then an injunction to prevent the defendants from stepping over into the bounds so prescribed. The suit attempts to set up a list of acts which would be described as "law practice," which if accepted by the court would mean that a company

could not settle a claim or adjust a loss no matter how small without the services of a licensed lawyer. Since this suit was filed one or two law firms have set up in Birmingham to specialize in insurance adjusting and are so advertising.

This suit is pending in the circuit court in Birmingham and under normal procedure will come to trial some time in March.

SUGGEST NEBRASKA PACT

Bar Committee Modifies Stand and Now Seeks an Agreement

LINCOLN, NEB. — The committee on unauthorized practice of law will report to the convention of the Nebraska Bar Association Dec. 29 that a joint commission of members of the bar and lay adjusters for insurers be established, to which may be referred complaints as to activities of adjusters that are in violation of suggested principles. The committee has held two sessions with representatives of adjusters. Some time ago the law committee made a report favoring an effort to put lay adjusters in hobbles, but that suggestion proved unpopular and the committee has decidedly modified its position.

While a definite agreement has not been reached as to what the principles governing the operations of lay adjusters shall be, the lawyers are willing to concede that these acts do not constitute the practice of law:

Detection Work Is Allowed

Detection, including the discovery of witnesses and evidence; taking photographs; and taking statements of witnesses and acts of a like nature.

Appraisal and agreement as to amount of damage where liability is not disputed.

Procuring execution of prepared instruments where the lay person exercises no discretion in the selecting or preparation and where he has not negotiated for compromise and settlement of a claim on which there is some question as to legal liability and payment by delivery of check, draft or money in discharge of claim.

Determination of or recommendation of amount to be set up as a reserve on various claims.

Activities That Are Barred

However, the committee says the following activities constitute the practice of law and suggests that these be embodied in any declaration of principles:

Compromise and settlement of claims on which there is a legal dispute as to legal liability in toto or as to particular items.

The completion of settlements or compromises where legal knowledge is required and counsel or advice given with respect to the validity and effect of the following:

Exercising of discretion in forms of instruments used.

Determination of what parties have supplementary or companion claims and from whom releases are to be obtained.

Determination of the capacity of the claimant to execute a binding release.

Appearances before the workmen's compensation court and the presentation of legal rights of others at either formal or informal hearings, preparation of pleadings in that court and advising others of rights under the law.

Advising insurance companies or persons insured by them of their legal rights.

Determination of whether the particular policy covers a claim.

Determining questions of legal liability, the nature and extent thereof, for an insurance company or an insured.

Indirectly doing or attempting to do any of the foregoing by retaining a duly licensed attorney as an agent or representative of the adjuster, i.e., attempting to do indirectly any act which may not be engaged in directly.

Floyd Stevens, Jefferson, Ia., who for several years has represented the State Farm companies, has been promoted to special agent with Iowa territory.

Becomes First Chairman Of Illinois Federation



W. H. HANSMANN

Directors of the Illinois Insurance Federation at a luncheon meeting in Chicago, decided to create the position of board chairman and elected W. H. Hansmann, vice-president of Fidelity & Deposit and immediate past president of the federation, as the first incumbent. Later a vice-chairman will be named. H. N. Douglass, Chicago manager New Amsterdam Casualty, presided at the meeting, as he is president of the federation. Members of the advisory council were special guests.

D. F. Broderick Now Casualty Factor

(CONTINUED FROM PAGE 17)

He has made a study of special and unusual liability coverages, and Great Lakes writes a considerable volume of that business. Under Mr. Crawford's direction, all departments of Great Lakes have shown a profit. His policy has been to develop along conservative lines. He has been especially careful in the selection of agents. He has not insisted upon growth at the expense of profit.

Great Lakes operates in Idaho, Illinois, Indiana, Michigan, Minnesota, Nebraska, Ohio, Oregon, Pennsylvania, Utah, Washington, West Virginia and Wisconsin. As of June 30 last its statement showed assets \$1,312,003, capital \$300,000 and net surplus \$200,000.

A. P. Pitt has purchased the agency of S. E. Walker at East Northfield, Mass.

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DECEMBER 31st, 1937

CAPITAL	\$ 2,000,000.00
Surplus	3,028,762.91
Voluntary Catastrophe Reserve.....	500,000.00
Reserve for Losses.....	4,358,549.45
All Other Liabilities.....	1,992,463.60
TOTAL ADMITTED ASSETS.....	11,879,775.96

NOTE: Securities carried at \$363,743.75 in the above statement are deposited as required by law.

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POINTERS FOR LOCAL AGENTS

Fiduciary and Court Bonds Good Medium for Agents

Many agents will not solicit fiduciary bonds because of the many details incident to writing them, but these can be minimized if not completely eliminated by proper underwriting and understanding when the business is placed on the books. Thomas T. Wilson, manager, United States Fidelity & Guaranty, Little Rock, said in a talk at the mid-year meeting of the Arkansas Association of Insurance Agents held in his city. Mr. Wilson's subject was "Judicial Bonds."

If the principal is honest, reasonably intelligent and made fully to understand his duties and obligations when an application is made for the bond, and that the company will expect him to live up to these, including filing necessary reports and accounting, little or no difficulty with details need be experienced. It is necessary to employ competent legal counsel.

Fiduciaries fall into two classes, those whose duties are to collect and distribute as promptly as possible the assets to creditors and beneficiaries, these being known as short term trusts, and the others long term, where fiduciaries' duties are to collect reserves and invest assets, holding in trust for ultimate beneficiaries and meanwhile paying income to those entitled to it. Surety underwriters consider the short-term bonds more desirable as long term trusts are inherently dangerous, Mr. Wilson said. Small mistakes, casual irregularities or questionable habits occurring repeatedly over a considerable time become of large magnitude in the aggregate.

Short term trusts are principally executors, administrators, receivers or trustees in bankruptcy, or receivers in state courts, and assignees for benefit of creditors. Long term trusts are commonly guardians of minors and incompetents, and trustees under will or deed.

Failure to make proper investments has caused a large number of losses in this class and is one of the important problems confronting surety underwriters. Arkansas statutes require these investments be in certain types of life insurance, securities of the U. S. government or state of Arkansas or political subdivisions thereof, and first real estate mortgages not exceeding one-half of appraised value of property, appraisal to be made by three independent appraisers appointed by court. Failure so to invest makes the fiduciary and his surety responsible to the estate for 6 percent interest on the residue not properly invested. The fiduciary and surety are not responsible for loss of funds properly invested, but are responsible for loss of uninvested funds due to bank failure or other causes.

Frequently bonds that otherwise would not be acceptable can be accepted by exercise of joint control, which is required by many companies in all cases, Mr. Wilson said. This is joint custody by agent or attorney with the fiduciary over funds and securities of the estate, with a proper bank account requiring countersignature of the joint control agent on withdrawal orders and placing of securities in a lock box subject to opening when the fiduciary is accompanied by the agent. Joint control, Mr. Wilson said, will protect and benefit the fiduciary, insure proper segregation of trust funds and keeping of proper records, prevent losses and make for

proper investments and expenditures.

Disinclination of the applicant and agent to be bothered with continual check countersigning can be overcome in some cases by establishing a "working fund," a revolving arrangement set up independent of the main account on which applicants can check without countersignature. The fund is replenished when the applicant presents his receipts for disbursements.

Mr. Wilson also discussed court bonds, the most common, he said, being plaintiff bonds covering attachment, replevin, garnishment, indemnity to sher-

iff, costs and removal, and these being the most desirable class. The defendants bonds covering appeal, supersedeas, discharge of attachment and release of garnishment, counter-replevin and discharge of mechanic's lien are given to release or restore property or stave off a judgment, and almost without exception are a direct guaranty of payment of a sum of money. Therefore they should not be executed without collateral except in rare instances, when company approval should be secured. Cash or its equivalent should be required as collateral and never a mortgage.

A hazardous feature is that liability does not become liquidated until termination of the litigation, months or even years in the future. When an agent is in doubt as to execution of a bond, Mr. Wilson reported, the bond either should be declined or submitted to the company with full details and complete application for authority.

Kimball Sees New U. & O. Form as the Complete Answer

Warren F. Kimball, of Kimball & Price, New York brokerage house, has sent THE NATIONAL UNDERWRITER some ideas regarding use and occupancy insurance for department stores, particularly with reference to the new "gross earnings" form. Mr. Kimball is noted as a specialist in handling department store lines and is one of the best informed men in the production end of the business on use and occupancy coverage for these risks. He has been consulted frequently by company and rating bureau men when use and occupancy changes for mercantile risks were under discussion and supplied much practical information to the conferences which led to the adoption of the new uniform "gross earnings" form. He writes:

"Some 15 years ago, the insurance committee of the controllers' congress of the National Retail Dry Goods Association began a study of use and occupancy or gross earnings insurance and hoped for much improvement in form, rate and method of computing the amount of insurance to be carried. It seems to me that this new single item gross earnings form with simplified computation sheet, particularly when supplemented with the agreed amount clause, is really the successful culmination of all those years of research, and as far as mercantile risks are concerned, produces a most satisfactory answer from every point of view. It certainly fits the mercantile needs and I believe will greatly increase the sale of use and occupancy insurance.

"Every merchant is exposed to loss of earnings if his property is destroyed and damaged by fire because use and occupancy losses are bound to go hand in hand with all property damage losses (except the small waste basket fires) and sometimes small property damage losses are responsible for substantial use and occupancy losses. I do not see how any merchant can afford to go without this new use and occupancy or gross earnings insurance after he has discovered the simplicity of both form and computation sheet and realizes that complete protection against loss of earnings can be obtained at a cost of from only 30 percent to 35 percent of the cost of complete property damage insurance on the entire plant, equipment and stock.

"There have been a few fundamental principles which I have been discussing with department store insurance buyers for years and because this new form

satisfies them so completely, I am taking this opportunity to mention them briefly:

"1. Regardless of form, do not carry less than 50 percent of full gross earnings estimated a year ahead, for that much coverage is needed in order to be safe against a catastrophe.

"2. If the form permits, do not carry insurance to the extent of more than 50 percent of full gross earnings estimated a year ahead (unless you are facing some very abnormal condition) because you can never lose more than that in actual dollars. Total interruption for a full year will permit salvage of at least half the full year's normal expenses. Total or partial interruption for only part of the year will permit earning of at least half of the normal full year's earnings.

"3. Accordingly, 50 percent of full gross earnings estimated a year ahead is normally ample for anything that can happen and will take care of all losses whether the period of interruption is long or short and regardless of the season in which the loss occurs.

"4. There is no necessity at all for you to consider what your position would be in the event of loss while computing

the amount of insurance and cost of same. The adjustment of a loss is purely an accounting proposition which is impossible of solution until the severity of the damage, the season in which the loss occurs and the probable length of period of interruption are known. Once the loss occurs, all those factors become known very quickly and the adjustment will be completed in accordance with accounting facts.

"5. The new 50 percent single item form, simplified work sheet and low cost (only about one-third of the cost of property damage insurance on plant, equipment and stock) give such a satisfactory answer that there is no necessity for any closer reckoning than to be sure that true sales and mark-up figures are used on the computation sheet. When your risk is eligible for the agreed amount clause as a supplement to the 50 percent single item form, the situation is ideal and you will find it unnecessary to make any computation of value oftener than once a year (except for some very radical and unanticipated change in physical plant and sales volume).

Complete Understanding

"This seems to be a rather sketchy statement yet it is based on a vast amount of statistical data and after all, the new form and computation sheet do simplify the subject to just about that extent. When agents, brokers and insurance buyers in mercantile establishments have had an opportunity to study this new form and understand both its accuracy and simplicity, I feel sure the present ifs and ands in use and occupancy insurance for mercantiles will fade away and that along with increased sales will come complete understanding and satisfaction."

Flood Insurance

Question—Will you furnish us with the names of companies writing flood insurance?

Answer—There is no company that we know of now that is writing what you term flood insurance. It has been stated, and we think it is true, that in some of the large national accounts companies have been obliged to write flood insurance in connection with other indemnity under pressure from the assured. London Lloyds is said to have taken some insurance of this character, but as a rule it seems to be an uninsurable proposition.

How to Offset Rate Reduction

Many dwellings and buildings could not be replaced today on present prices at the original cost of building and therefore, it would be found, are underinsured due to present market conditions. E. W. Woestman of the insurance department, Arkansas Valley Trust Company, Fort Smith, declared in a talk at the mid-year meeting of the Arkansas Association of Insurance Agents at Little Rock. This is a slant to take out into field production in meeting the reduction in fire rates which has greatly decreased premium income, not only on new but renewal business.

Three Year Term Helpful

The wages and hours bill, he said, has affected building prices, not only increasing cost of actual construction but of producing and getting to market materials used in construction. Agents need not worry about getting to write enough insurance on homes built through the FHA plan, he said, as in most cases FHA loans cover 100 percent of the cost of building.

The three year finance plan has great-

ly aided in securing business from assured who formerly covered for only one year term. The unearned premium endorsement can be added for a very small additional premium, in event of loss automatically reinstating the basic policy, or in the event of total loss returning to assured the unearned pro rata premium.

If an assured has a total loss and intends to build immediately, Mr. Woestman said, the agent can keep him covered during the period and ward off competition. He found the extended coverage contract a fine tool. The explosion feature in the southwest field where there is much natural gas is almost a necessity, he feels.

A coverage often overlooked by agents is rents and rental values.

Mr. Woestman said some agents save time by mailing out renewals instead of delivering them personally, but he believes by delivering personally the agent could replace if not increase a greater part of the commissions lost due to fire rate reductions.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Indiana Agents Now in New Quarters

New headquarters for the Indiana Association of Insurance Agents have been opened in 918-919 Fletcher Trust building, Indianapolis, with R. A. Hendrickson, secretary-counsel, in charge, and Miss Elizabeth Augustus assistant secretary. She is familiar with the work, having been secretary to J. W. Stickney for several years while he was secretary. A new board includes the officers, R. E. Coffin, president; S. M. Stoner, vice-president; W. C. Myers, Evansville, chairman; A. L. Jenkins, national councillor; J. W. Stickney, treasurer; R. A. Hendrickson, secretary-counsel; J. J. Block, East Chicago; H. W. Bradshaw, Delphi; W. H. Lupke, Fort Wayne, Ind.; F. C. Richardt, Evansville, and Chris Zoercher, Tell City.

District vice-presidents appointed are: District 1, J. W. Larrew, Valparaiso; 2, Eugene Hupp, South Bend; 3, Ray Kuhn, Fort Wayne; 4, Harold Phend, Monticello; 5, J. A. Searles, Marion; 6, Don R. Bell, Richmond; 7, E. L. Pell, Brazil; 8, R. Michael Fox, Indianapolis; 9, Jeff Reed, Bloomington; 10, Ralph McReynolds, Evansville; 11, H. H. Miller, Seymour, and, 12, S. G. Boyd, Madison.

County vice-presidents also have been named and the state is well organized to meet the coming legislative session.

Nebraska Hail Fund Issues Only 45 Policies in Year

LINCOLN, NEB.—While the state hail insurance bureau has not closed its books for the year because all premium notes have not been collected, its records show it issued in 1938 only 45 policies, scattered over some 30 counties, and that losses were adjusted in ten cases, totaling \$2,666. Funds on hand indicate claims will receive not over 42 percent payment.

Griffith New Kansas City President

KANSAS CITY—Fred V. Griffith was elected president of the Insurance Agents Association at the annual meeting. J. H. Ashton is vice-president. Mr. Griffith also was elected treasurer, a post he has occupied several years. Raynolds Barnum and Cary W. Jones were named to the executive committee for two years. Ernest U. Winegarten was reelected to the committee for one year to represent Class 2 members.

The association discussed but did not act on the safe driver reward plan.

The association will make available to members a contract form drawn up by George Oppenheimer to govern the relations between agency and solicitor. The form makes clear the point that the solicitor is an independent contractor.

Observes 20th Anniversary

STOUGHTON, WIS.—A. T. C. Olsen, operating the Olsen Agency here, is observing his 20th anniversary since the business was established in 1918 with L. O. Flugum as partner under the name of Olsen-Flugum Agency.

Wisconsin Mutuals Elect

MILWAUKEE — The Wisconsin State Association of Mutual Insurance Companies, comprising city and village fire mutuals of the state, reelected August Fuge, secretary West Bend Mutual Fire, as president at the annual meeting here. L. W. Schlieder, secretary Sheboygan Falls Mutual, was named vice-president, and Theodore Schmidt,

Kewaskum Mutual, secretary-treasurer. Nominated for appointment to the governing committee of the Fire Insurance Rating Bureau were Harold Brown, Hardware Mutual Fire, Stevens Point, and Mr. Fuge. The legislative program was discussed with the legislative committee of the Wisconsin Mutual Insurance Alliance, of which Mr. Fuge also is president. The alliance is composed of Wisconsin farm, city and village mutual fire, casualty, tornado and hail carriers.

Sioux City Christmas Party

Novel entertainment was provided for the Christmas party of the Insurance Women's Association of Sioux City, Ia. Miss Clare Fennell of the Wooldridge agency was general chairman.

H. H. Hoard Business Divided

Business of the H. H. Hoard company, Cleveland, has been divided and L. J. Linn, formerly with Mr. Hoard, now operates his own agency as L. J. Linn & Co., in the Standard building, and the H. H. Hoard Co. has moved to 1431 Standard building and is handling the life and health and accident lines.

Watertown Board Elects

WATERTOWN, WIS.—H. L. Scholl was reelected president Watertown Board. John Thauer was named vice-president; James Prentice reelected treasurer, and W. C. Krueger, secretary. Directors elected were L. A. Knick, E. J. Kellerman and F. W. Keppler.

Dodge County Agents Meet

BEAVER DAM, WIS.—The Dodge County Association of Insurance Agents held a turkey dinner here. Charles Timbers, Fire Insurance Rating Bureau, Milwaukee, discussed operation of the bureau with particular emphasis on agents' angles. President William Liebig presided.

Interest Proposal Approved

MILWAUKEE—Recommendation of directors to pay 3 percent interest on forfeiture fund certificates for the year was concurred in at the December meeting of the Milwaukee Board. E. H. Kambe, individual, and Wanner Insurance Agency, operated by Joseph and Max Wanner, were elected members. Joseph Meller was appointed solicitor for the Guy Watson office and Max Hauser was transferred to the office of J. C. Glanz from Rebhan Insurance Agency.

Des Moines Loss \$120,000

The old Globe department store at Fourth and Walnut streets, Des Moines, burned the other day causing insurance loss estimated at \$120,000. There was \$157,000 insurance on the building, \$35,000 insurance on stock and \$15,000 on fixtures, divided among numerous stock companies. This concern was located several blocks away from the main retail district.

Insurance Women's New Staff

ST. PAUL—Marvel Vigoren, employee of the Frank S. Rogers agency, will be "insurance queen" at the annual outdoor winter sports carnival here in January. She was selected at the annual meeting of the St. Paul Association of Insurance Women, of which she is a member, and also will represent the Insurance Exchange. New officers elected by the women's association are: president, Mrs. Fern Harrington, of Hannaford & O'Brien; vice-president,

Josephine Resch, Fitzhugh & Robert A. Burns; secretary-treasurer, Jean Foley, Northwestern National Casualty; members executive committee, Wanda A. Anderson, Cathcart & Maxfield; Frances Rowan, Frank S. Rogers agency; Lillie Burns, Fidelity & Casualty; Genevieve Rogers, Joseph A. Rogers agency, and Irma Scottum, Fitzhugh & Robert A. Burns. At a meeting Jan. 17, members of the Minneapolis Insurance Women's club will be guests.

Chief O'Donnell to Retire

ST. LOUIS—Chief James T. O'Donnell of the St. Louis Underwriters Salvage Corps will retire Jan. 1 on pension. He has been chief for 28 years and is 66 years old. Captains Otto Jordan and Frank Dailey succeed Chief O'Donnell with the rank of deputy chief.

Gross Earnings Form in Four States

The new gross earnings use and occupancy form has now been approved in four middle western states—Missouri, Indiana, Ohio and Michigan.

Named By St. Louis Chamber

ST. LOUIS—New directors of the St. Louis chamber of commerce include: Arthur C. Hoehn, vice-president, Henry R. Weisels Company; Charles H. Morrill, a partner in W. H. Markham & Co.; William T. Nardin, vice-president and general manager of the Pet Milk Company and one time president of the old Missouri State Life. Holdover members of the board include Walter W. Head, president of the General American Life.

Missouri Department Moves

JEFFERSON CITY, MO.—The Missouri insurance department is now in its new quarters in the state's new \$878,000 office building.

"Wimmin" Rhyme with "Swimmin"

DETROIT—With W. T. Benallack as the sparkling toastmaster, the Detroit Insurance Women's League held its Christmas party. About 140 participated. Mr. Benallack is secretary of the Michigan F. & M. and a superior maker of verse. He turned out some appropriate lines wherein "wimmin" rhyme with "swimmin." Alice Smith was entertainment chairman.

Adams and Whitney Slated

COLUMBUS, O.—According to a report circulated here, Fred L. Adams, Bowling Green, O., local agent, has been selected for chairman of the finance committee of the Ohio senate under the new administration. Either Mr. Adams or Senator O. W. Whitney of Sunbury will be chosen chairman of the insurance committee, it is stated.

Elect Linville in Youngstown

YOUNGSTOWN, O.—R. E. Linville was elected president of the Youngstown Association of Insurance Agents at the annual business meeting. Other new officers are: C. Gilbert James, vice-president, and R. P. Smith, Walter Francis, Glen Bowman, and Carl A. Gluck, members of the executive committee. Henry Gwilliam provided a venison dinner, the result of a recent hunting trip in Pennsylvania.

Name Donahue General Adjuster

Western Adjustment announces these changes effective Jan. 1:

Manager E. T. Donahue of Green Bay, Wis., is transferred to Milwaukee as general adjuster for Wisconsin. Resident Adjuster Max Weaver of Fond du Lac, Wis., is transferred to Green Bay as successor to Mr. Donahue. Adjuster C. H. Hedlund of Eau Claire, Wis., is transferred to Fond du Lac as resident adjuster. Adjuster Paul L. Johnson of Quincy, Ill., is transferred to Eau Claire, succeeding Mr. Hedlund. Adjuster H. E. Wendt of Kalamazoo, Mich., is transferred to Quincy succeeding Mr. Johnson. Adjuster F. F. Best of Petoskey, Mich., is transferred to Kalamazoo as a replacement for Mr. Wendt.

Mr. Donahue, who becomes the general adjuster for Wisconsin, is a graduate of Marquette University Law School, was for some years with the Travelers, and first joined Western Adjustment at Milwaukee. For the past 10 years he has been in charge of the Green Bay office, first as resident adjuster and later as manager. He is a well seasoned and experienced adjuster.

Corn Insurance Coercion Charged

The L. E. Ellis & Co. general agency of Des Moines states that complaint has been made in several localities that the insurance on sealed corn under the government corn loan program is controlled by the individual who is paid for doing the sealing. According to Ellis & Co., the Iowa representative of the federal corn program has asked that all such cases be reported to him, since no representative has any right to direct to the owner of the corn where the insurance shall be placed.

Clinton, Ia., Board Is Revived

Through the effort of Lyle M. Jefferies, member of the executive committee of the Iowa Association of Insurance Agents and local agent at Clinton, the Clinton local board has been reorganized after having been inactive for some time. A. W. Hansen was elected president; L. W. Stoik, vice-president; Mrs. Minnie E. Lake, secretary. These officers with Mr. Jefferies were appointed to go over the constitution and by-laws and requested to submit them to the board for approval at the January meeting.

Demand Accounting From Banks

JEFFERSON CITY, MO.—Attorney General McKittrick has filed suits in the Cole county circuit court against two Jefferson City banks, demanding they account for profits they may have realized through funds deposited in the state court 16 2/3 percent fire insurance rate increase litigation. The proceedings were brought in the name of Superintendent Robertson.

The Central Missouri Trust Company is asked to account for the difference between the \$1,373,911 deposited with that institution by the custodian of the funds and the \$1,226,986 which the bank returned and also for the earnings on the entire \$1,373,911.

The Exchange National Bank is asked for the earnings on the \$250,000 deposited with it and which was turned over intact to the state.

Middle Western Notes

Carl C. Noreen, 42, head of the Noreen Insurance Agency, Louisville, O., died.

Jerry E. Ellerbrock has purchased the L. Dayton Garberson Agency of Sibley, Ia.

The Mott S. Hammond agency has moved to 500 Walnut street building, Des Moines, Ia.

P. F. Nolan, operating as the South St. Paul (Minn.) Land Co., has disposed of his insurance agency to Anton Roszak, who will conduct it as the South St. Paul Insurance & Realty Co.

The Wardle Agency, Ionia, Mich., has been incorporated by Helen C. Benedict, Thane Benedict, Jr., and Clarence E. Wardle. Thane Benedict, Sr., who died a few months ago, was connected with the Wardle Agency for many years.

Loss now estimated at \$50,000 was caused by the fire in the Zeeland State Bank of Zeeland, Mich. Insurance is divided among Fireman's Fund, Glens Falls, New Hampshire, Aetna Fire, L. & L. & G., Hanover and New York Underwriters.

IN THE SOUTHERN STATES

Fire Insurance Year in South

ATLANTA — Unfavorable developments in the fire insurance business in the south, which began in the last three months of 1937, continued through 1938. While the south is moving forward industrially, it has not progressed sufficiently far to be prosperous when cotton is selling at eight cents. Eight cent cotton influences both premium income and loss ratio.

The last few weeks of 1937 witnessed a perceptible increase in fire losses, but this slowed down after the turn of the year and losses were again moderate up until September last. Since that time they have been sharply upward and include several large fires. Some southern underwriters are expressing the opinion that "the honeymoon is over."

Total Premiums Off

Fire, automobile and tornado premiums, considered jointly, will show a decrease of 10-12 percent in 1938. The decrease in fire premiums alone will hardly be that much. The decrease has been greater the last four or five months than earlier.

The loss ratio on fire business will be around 40. On all classes it will approximate 45, as the automobile loss ratio is high. Collision losses continue abnormally high. Tornado and hail losses in

Texas were severe in 1938. A big whisky loss in Kentucky also built the record up for the companies involved.

Collections continue to show a high degree of satisfaction, due to the untiring efforts of the balance committees of the several state conferences of field men. The Southern territory stands out in the enforcement of the balance rule.

Mutual Competition

The clearing of mixed agencies continues. Mutual competition, however, continues keen, especially in Arkansas where the non-stock companies are driving for business through their own mutual agencies. Non-board companies, although few in number, are acutely active. Campaigns of non-stock and non-board companies have hammered down standard rates.

Daniel Espouses Program of Legislation for Texas

Commissioner Daniel of Texas recommends recodification of the insurance laws, in his annual report to the governor. In addition he advocates certain specific changes.

Mr. Daniel advocates passage of a law authorizing the department to refuse to license or to cancel licenses of out of state companies that refuse to open their books to representatives of the department.

Mr. Daniel wants another law permitting the department to refuse to license companies that are domiciled in states that refuse "for no valid reason" to license Texas companies.

Mr. Daniel, undoubtedly prompted by the failure of several such institutions in the past several months, desires radical revision of the laws governing reciprocals. Such concerns, he said, should be required to maintain net surplus of not less than \$50,000. He also wants broader authority over domestic Lloyds.

Celebrate 25th Anniversary of San Antonio Exchange

SAN ANTONIO—At the 25th anniversary dinner of the San Antonio Insurance Exchange Tuesday evening of this week, Major General C. V. Birkhead, counsel for the Exchange, was toastmaster.

Commissioner Waters talked. Other speakers were R. B. Cousins, Jr., secretary Texas Fire Prevention Association committee; J. K. Boyce of Amarillo, member executive committee National Association of Insurance Agents; W. R. Levy, the retiring president San Antonio Insurance Exchange; F. F. Ludolph, secretary of the Exchange; Alfonso Johnson, executive manager Dallas Insurance Agents Association, and D. G. Foreman, executive secretary Texas Association of Insurance Agents.

Mr. Ludolph, in his talk, presented some interesting historical material. He has been secretary since the beginning. The Exchange was organized by eight agents in 1913. Membership now embraces 94 recording agents and 82 associate solicitor members. The Exchange and all of its members are affiliated with

the Texas and National agents associations.

The newly elected president is E. J. Frazer.

Congratulatory telegrams and letters were read from National association of officers, local exchange presidents and state presidents.

Mr. Cousins, in his address, said all companies represented in his committee are committed to the American agency system and they are benefitted by the work of local exchanges in promoting better business methods and the public profits.

Mr. Ludolph was presented with a watch chain and a check in appreciation of his service.

Alfonso Johnson in his talk on consumer cooperatives declared that these projects lead toward communism and destruction of the American system which has been based on the development of personal initiative and possible profit. Those at the banquet numbered 206.

Rates on North Carolina Public Buildings Cut 25%

The North Carolina inspection and rating bureau has promulgated a reduction of 25 percent in the published rates on all North Carolina public buildings and contents, except school property, effective as of Dec. 15. The reduction does not apply to electric power plants, traction properties, gas plants, schools or educational institution properties, either buildings or contents, nor to AAA sprinklered buildings or contents. Pro rata return of premiums by reason of rate reduction on existing contracts is not permitted. Pro rata cancellations to take advantage of the new rates will be permitted if policies are rewritten from the date of cancellation in the same company for the same or greater amount and for the full original term of policies so cancelled.

Prendergast Is Named

A. C. Prendergast, Dallas local agent, has been named general agent for the Connecticut General Life, which is now entering Texas.

Van Arsdell with Respass Office

The Respass General Agency of Lexington, Ky., has appointed Howard Van Arsdell of Nashville as special agent in Tennessee. He was at one time special agent for Fidelity & Casualty and for the past five years has been employed by the Frank B. Welch Company as manager of the insurance department. The companies represented in Tennessee are: Albany, California, Capital, Pacific Coast, Union of Paris and Eagle Indemnity.

New Setup for Dixie Fire

The setup of the American group offices in Greensboro, N. C., is being materially altered. B. C. Vitt, who has been vice-president of Dixie Fire and manager of the Virginia-Carolina department of American, becomes vice-president of American and will assume duties at the Newark head office.

R. G. Guthrie, assistant treasurer of Dixie Fire, and J. P. Young, Jr., loss department manager, also go to Newark. Four examiners from the Greensboro

head office of Dixie Fire are being transferred to Newark, they being E. C. Curtis, Macon Crocker, C. A. Mebane, Jr., and L. A. Schneider.

The Greensboro home office of Dixie Fire will be retained as corporate headquarters with C. A. Holt, secretary, as manager at the home office and manager of agencies for American in North Carolina and Virginia.

Mrs. Allen Is Elected President

NASHVILLE, TENN. — The Nashville Association of Insurance Women at a luncheon meeting elected officers as follows: Mrs. Richard Allen, president, succeeding Miss Ethel Holman; Mrs. Howard Robertson, vice-president; Mrs. Annie Laurie Rinks, secretary; and Miss Edna May Gay, treasurer. Miss Holman, Miss Frances High, Miss Carey Manley, and Mrs. Robert Wolfenden, retiring officers, were elected directors.

Provide for Christmas Baskets

NASHVILLE — H. Phelps of Gale, Smith & Co., and C. B. H. Loventhal, Loventhal Bros. were board members and many Nashville insurance men were active in the "Big Brothers" sale of newspapers to provide funds for giving Christmas baskets to the poor. Tennessee Blue Goose, headed by Gander A. L. Williams bought a "corner" and realized a substantial sum for the charity movement. About 2,500 baskets of food for Christmas will be given to the needy.

Want Headquarters in Austin

Members of District No. 3 of the Texas Association of Insurance Agents, at a meeting in Houston, adopted a resolution recommending that headquarters of the Texas Association of Insurance Agents be moved to Austin; that the duties of its secretary be undivided and his services be compensated for full time. The state association was urged to go on record as condemning coercion of real property and financed automobile insurance and the insurance department was requested to approve sale of an all-risk personal property floater including fire, windstorm and hail.

Boom Daniel for Reappointment

DALLAS—As the year draws to a close there still is much speculation as to who will be the next chairman of the Texas board of insurance commissioners, a post now held by R. L. Daniel. A score of names have been mentioned in connection with the \$6,000 per year job, but Governor-elect O'Daniel is silent on the appointment.

There is at present quite a move in behalf of the reappointment of Judge Daniel. He has had 12 years experience in the job and those who are advancing his candidacy say that he can be counted on not to "rock the boat." Mr. Daniel's term expires in January.

Knoxville Is Reorganized

KNOXVILLE, TENN. — Reorganization of the Knoxville Insurance Exchange has been completed, charter of incorporation obtained, and constitution and by-laws adopted. Russell Briscoe and Marcus Nickerson were elected chairman and secretary, respectively. Charter members are Fowler Insurance Agency, Hickman, Johnson & Sim-

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monds, E. R. Keller agency, M. F. Flenniken & Co., Henry G. McMillan Co., McMillin & Klein, Morgan & Hurley, Claiborne, Lothrop & Sample, Frank McSpadden, and Tate & Bailey. Firms joining since the reorganization are Hop Bailey Company, Roger VanGilder,

Wallace & Wallace, and Cooper, Coffman & Brooks. Membership is limited to local licensed agents in Tennessee, who operate exclusively on the capital stock plan and who are eligible for membership in state and National associations.

PACIFIC COAST AND MOUNTAIN

H. B. Haas Says Producers Get "Raw" Enforcement Deal

SAN FRANCISCO — California insurance producers are getting a "raw deal" from the state because of the failure to provide sufficient funds to enforce the qualification law, declared Harold B. Haas, assistant insurance commissioner, at the annual meeting of the Insurance Brokers Exchange.

The insurance department has only enough funds to employ one investigator for the entire state. "Until the insurance department demands the necessary funds to carry out enforcement, your qualification law will merely be on the books. At present the qualification law is about 10 percent enforced and 90 percent on the statute books."

At the last session of the legislature the insurance commissioner introduced a bill to increase the fees which are the only revenue to the department. Although it passed, the bill was not signed, and did not become effective. It is expected that same bill will be presented again.

"The insurance producer probably gets the rawest deal from the state. He pays license fees, not taxes, but charges made by the state for policing the licensed, for protecting qualified producers, and keeping the unqualified out of the business. The fact of the matter is that it has not been done in the past and is not being done in the present, because it cannot be done. The laws are on the books—but they are only on the books. One investigator is supposed to watch 40,000 licenses up and down the state. We only hear of about one out of 50 offenses because we have no means of going out and picking up matters. The 'street' hesitates to come to the department because they know that we do not have the facilities to do the job right. So we have to do the best we can. We have no kicks except that we do not feel that the producers are getting the service they are entitled to. We intend to do our part if you support us—the rest is up to you."

The Insurance Brokers Exchange held its annual Christmas luncheon with more than 700 present. Commissioner Goodcell was guest of honor.

Adopt Voting Booth Method for Annual Elections

SAN FRANCISCO — Use of a voting booth for elections, a method unusual in insurance organizations, was decided on at the annual meeting of the Insurance Brokers Exchange. An amendment to the constitution entirely revamping the method of electing officers and standing committees was adopted.

The voting booth will be installed in the Exchange office the day of election, in charge of an election commissioner, three tellers and three judges appointed by the board at least 20 days prior to the election. The poll will be open from 9 a. m. to 1.45 p. m. and results will be announced at a meeting later in the day.

It was announced the exchange plans to take an important part in preparations for "Insurance Day" at the Golden Gate International Exposition on Treas-

ure Island June 24. The research committee is completing plans for establishing a complete insurance library, including policy forms used in various states, jurisdictions and foreign countries.

Wilber Elected in Denver, Education Work Continued

DENVER—Harold O. Wilber, vice-president of the Thomas F. Daly Agency, was elected president of the Denver Association of Insurance Agents at the annual meeting. Del Van Gilder is the retiring president. Other officers are: Herbert W. Leibman, vice-president and Harold Shuteran, secretary-treasurer. Directors are Tracy C. Heatwole, Max Schayer, Frank England, Edward G. Udry and Del Van Gilder.

Continue Educational Plan

The association agreed to continue on a more extensive scale the educational program adopted by this group and the state association, involving close cooperation with the Rocky Mountain Credit Men and the holding of meetings with other similar groups. The Denver group also endorsed adoption by the state group of Herbert Fairall's paper, the "Daily Journal," as official organ of both associations.

Max Schayer, chairman of a special committee appointed last spring to gain cooperation of the Denver school board on its insurance, reported progress and expressed hope definite action in favor of association members will be taken in 1939.

Another subject discussed was how the association could be of assistance to dependents of deceased members. It was agreed the group might aid considerably in selling renewals in such cases and new officers were instructed to investigate the matter further.

Cady Joins Central Manufacturers

H. O. Cady, who has been an engineer for the Marshall Stevens Appraisal Company of Los Angeles, has joined Central Manufacturers Mutual Fire as southern California special agent.

No Immediate Change in Oregon

SALEM, ORE.—The Salem Insurance Agents' Association sent a letter to Governor-elect Sprague requesting that Hugh H. Earle be retained as insurance commissioner. Mr. Sprague replied that he is not contemplating any immediate change.

Fulton Enters Two New States

Fulton Fire, running mate of Hanover, has been entered in Wyoming and New Mexico through the representation of the Ritter-Monaghan general agency of Denver. Fulton has been for some time in the Ritter-Monaghan office for Colorado business.

Wheelock Strong for Surveys

SEATTLE, WASH.—At the December dinner meeting of the Seattle Blanket Club Kenneth H. Wheelock, Northwest department manager for Employers Group, stressed the importance of salesmanship through the use of surveys and cited practical examples of new business produced through the use of such plans.

Pacific Northwest Notes

Some 250 were in attendance at the annual supper and dance of the Insurance Girls Club of Washington, held at Seattle. C. Roy King, Yakima, Wash., local agent, has recovered from a severe illness and will return to his office.

EAST

Blackall Sees Eventual Auto Rate Stabilization

Commissioner Blackall of Connecticut, in addressing the annual meeting of the Bridgeport Association of Insurance Agents, expressed the belief that within the next few years the rate situation in automobile insurance will tend to stabilize. Introduction of the safe driver reward plan and other schemes that are designed to save money for the safe driver and penalize the poor one have unsettled the rate situation temporarily, he declared. Mr. Blackall indicated the belief that the principle of the safe driver reward plan is proper.

In the fire business, he said, competition is as pronounced as it ever was and that fact makes it certain that the public will get some benefit by reduced rates.

The commissioner declared that there has been a constant improvement in the agency qualification situation and he said the department has been in touch with leaders in the state local agents' association in the matter.

Mr. Blackall said he has been receiving too many complaints in connection with the accident & health business and he suggested that the companies practice more careful underwriting.

Chemical Plant Loss \$125,000

PITTSBURGH — Insurance loss on the fire which virtually destroyed the plant of the Pennsylvania Industrial Chemical Company, Clairton, Pa., is estimated at \$125,000, of which fire loss is \$100,000 and use and occupancy loss the balance. Five companies are reported on the risk: Aetna Fire, Pittsburgh Underwriters, Springfield, Continental and Home.

Christmas Party for 600

JERSEY CITY — More than 600 agents from all sections of northern New Jersey attended the dinner and annual Christmas party of the Underwriters Association of Hudson County at Union City. President Frank X. Bucino presided.

American Moves Boston Office

The New England department of the American Group, Newark, under Ralph G. Hinkley, manager, has moved its offices from 40 Broad street to 61 Battery-march street, Boston.

Montgomery Speaks to Institute

Philip Montgomery, Aetna Fire loss department, lectured on "Electrical Fire Hazards" before the fire class of the Insurance Institute of Hartford.

Company Head Is Speaker

BOSTON — The Conference Club, composed of office men and counter clerks, was addressed by W. A. Muller, president Dorchester Mutual Fire and head Boston general agency carrying his name, at a dinner. He gave a historical talk on development of fire business in Boston since the Boston fire of 1872.

Federal Agent Speaks

PITTSBURGH—John F. Sears, special agent in charge of the Pittsburgh office of the Federal Bureau of Investigation, spoke to the Smoke & Cinder Club.

Plan Divisional Organizations

BOSTON — Although the Boston Board is turning over its authority as a rating organization to the New England Fire Insurance Rating Association it will preserve its identity by serving as an organization for the enforcement of agents' and brokers' rules.

The lease to the New England Fire Insurance Rating Association is for a term of three years and provides for a return of the rating powers if the mem-

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bers of the Boston Board so vote. Three divisional organizations will be set up, Boston, New England and Providence, conforming to the present boundaries of these boards (except that the Boston division will include metropolitan Boston), to administer the affairs of the association.

New England Exchange Meet

BOSTON — Members of the New England Insurance Exchange will vote on a new vice-president and three new members of the executive committee, each to serve two years, at the annual meeting Jan. 14. The nominating committee has named Howard P. Forbes, special agent Philadelphia F. & M., as the candidate for vice-president and for directors, R. F. Babcock, special agent Fireman's Fund; George H. Eise, special agent Northern of London, and H. Beach Ward, special agent Boston. A get-together dinner will be held the night before the annual meeting.

Rules Oral Binder Effective

BOSTON—The Massachusetts supreme court has decided in the appeal case of L. W. Shumway vs. Home Fire & Marine, that an oral binder by a local agent, expressed in the words, "The building is covered," is legally binding upon the company, although details of rate and premium have not been determined. Shumway bought a house which was to be moved to a new location and applied to R. K. Noble of Northampton, Mass., agent for insurance. Mr. Noble assured Shumway forthwith that the building was covered, notified the special agent of his act and entered the binder on his own books. The building was damaged by fire two days later and the court awarded the insured \$1,798. The company disclaimed liability on the grounds the agent had no authority to give a verbal binder. The court found all of Mr. Noble's acts were within the scope of his appointment as agent.

CANADIAN

Aetna Fire Moves Canadian Department to Toronto

HARTFORD—Decision to establish a complete Canadian department at 44 Victoria street, Toronto, is announced by Aetna Fire. This department will be in charge of Manager R. H. Leckey, who will continue to have as his associates Special Agents R. Long of Vancouver; G. L. Pratt of Winnipeg; C. J. Malcolm of Toronto and Marine Special Agent P. S. May of Toronto.

The Canadian department has been directed from the head office at Hartford since 1821, when Aetna Fire became the first American company to enter Canada. Clyde S. Whitham, who has been examiner of Canadian business, will be permanently transferred to Toronto as chief examiner. W. L. Perry, agency supervisor, will go to Toronto temporarily to assist in establishing the department.

Scrutinize Applicants for Licenses

In order to raise the standard of insurance agents in Canada insurance superintendents with an advisory board composed of company men and agents are scrutinizing very carefully the licensing of renewal and new agents. A considerable number of applications have already been rejected this year.

Page Heads Casualty Department

WINNIPEG, MAN.—The Western Canada Insurance Underwriters' Association has appointed M. E. Page, formerly of the Canadian Underwriters' Association, to take charge of its casualty department.

Await U. S. Action on Form

TORONTO — Changes suggested in the standard fire policy in the United

States are of prime importance to Canadian fire companies, as many operate in both countries. It is understood the changes will not be adopted here until final approval has been given in the United States.

Wears With Johnson & Higgins

MONTREAL, QUE.—Johnson & Higgins (Canada) have appointed G. M. Wears, formerly of the General Casualty of Paris, manager of the casualty and liability department.

MOTOR

Kansas Acts to End Finance Firms Sharing Commission

Commissioner Hobbs of Kansas has issued a ruling in respect of automobile finance business, effective Jan. 1, that apparently goes farther than any ruling thus far issued by any commissioner in the direction of denying the finance company a share in the commissions on the insurance covering the cars financed by them. His ruling contains four points and it is intended, he explains, to insure that the business of insurance remains in the hands of insurance men who are recognized by and responsible to the laws.

He said it has come to his attention that many finance companies having a master policy solicit the insurance on cars financed, collect a premium, issue the certificate and later have the certificate countersigned by a resident licensed agent. The Kansas law requires that no person shall do anything pertaining to insurance without complying with the insurance code. The issuance of certificates, collection of premiums, solicitations of insurance, etc., would be in direct violation of the statutes unless the person doing such acts were licensed as an agent. No finance company can be licensed as an agent, Mr. Hobbs declared. The finance company is mentioned as mortgagee in the policy and is entitled to a portion of any recovery as its interests may appear. An assured or a direct employee of an assured cannot act as an agent.

The division of commissions with finance companies is rebating and is in direct violation of the laws, he states. The Kansas legislature has created a class of persons known as insurance agents who alone can deal with the public on insurance matters. Writing insurance is necessarily technical and personal and has achieved the dignity of a profession. This profession should not and cannot legally be prostituted to suit the business ends of any group of persons or companies.

The ruling is:
"1. Certificate forms and other agency material shall be issued only to regularly licensed agents who shall be required to retain such material.

"2. Policies issued in this state under so-called master or blanket contracts on financed automobiles shall be solicited and sold only through licensed representatives.

"3. A clause shall be inserted in all certificate forms used in this state stating that no one but the agent or representative soliciting the policy shall have the right to receive or collect any premium from the assured or in any way act as agent for either the company or the agent soliciting such policy.

"4. There shall be no differential in premium rates charged, based on a distinction between financed and non-financed automobiles."

Confine Operations to Southeast

Fleming Law, vice-president in charge of underwriting of American Security of Atlanta, advises that the management has no intention of entering the com-

pany in Michigan, as was stated in a recent article. The company is now licensed in Georgia, Alabama and Tennessee and the management intends to confine its operations to the southeastern states. American Security is affiliated with American Discount Company and insures the cars financed by American Discount. Mr. Law states that the insurance which American Security writes on finance business will be countersigned by regular local agents in the various states and American Security will not endeavor to solicit renewals, after the purchase of the car has been completed.

MARINE

Standardize Furrier Form in Canada

TORONTO—A standard furriers customers contract has been promulgated for Canada, following action by the conference of insurance superintendents. It is titled "Personal Fur Policy (World Wide)" and is a joint certificate for the customer and master contract for the furrier. It covers against all risks, except gradual deterioration, moth, vermin, inherent vice, war, insurrection and damage sustained while or as a result of the furs being worked upon. The furrier may supply the insurance free to the customer or may make a charge. He is required to make a daily report to the company of all policies issued, on a prescribed form.

This standardization is expected to end the chaotic condition which has prevailed in furriers customers insurance in Canada for several years. Unregulated competition has caused a variety of insurance schemes to be employed, many of which resulted in complaints of misrepresentation of coverage, questionable sales methods on the part of furriers and, in some extreme cases, the issuance of contracts with no provision for payment of loss.

Must Itemize Personal Property Floater Results

TORONTO—Superintendent H. D. McNairn, secretary Canadian Superintendents Association, notified insurers to report 1936 and 1937 premiums and losses on the personal property floater (household contents form) in the provincial annual statement blanks under a suggested classification "personal property damage insurance." All other insurance is to be reported as formerly. In preparation of the blanks for 1938, required to be filed on or before Feb. 28, he requested all premiums and losses relating to "personal property floater" be reported again under the same classification.

All Join in Fort Scott Party

KANSAS CITY—The Western Insurance Companies chartered a 37-passenger bus to take employe to Fort Scott, Kan., where they were guests of the home office at a Christmas party. About 200 attended the dinner, exchange of gifts, and entertainment by the organization's own talent.

U. S. Epperson Official Dies

KANSAS CITY—Paul B. Dunn, 38, vice-president of the U. S. Epperson Underwriting Company, died at Shreveport, La. He was in the south on business. Mr. Dunn joined the exchange in 1922.

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"Surplus to Policyholders" and "Total Liabilities" for stock companies are shown as separate items only in the Argus Fire Chart. "Reserves for Liability and Compensation" are separated from "Net Unpaid Claims" only in the Argus Casualty Surety Chart. Also in the Casualty Chart, Classification of premiums written for leading Mutual companies (as well as for all Stock companies) is shown.

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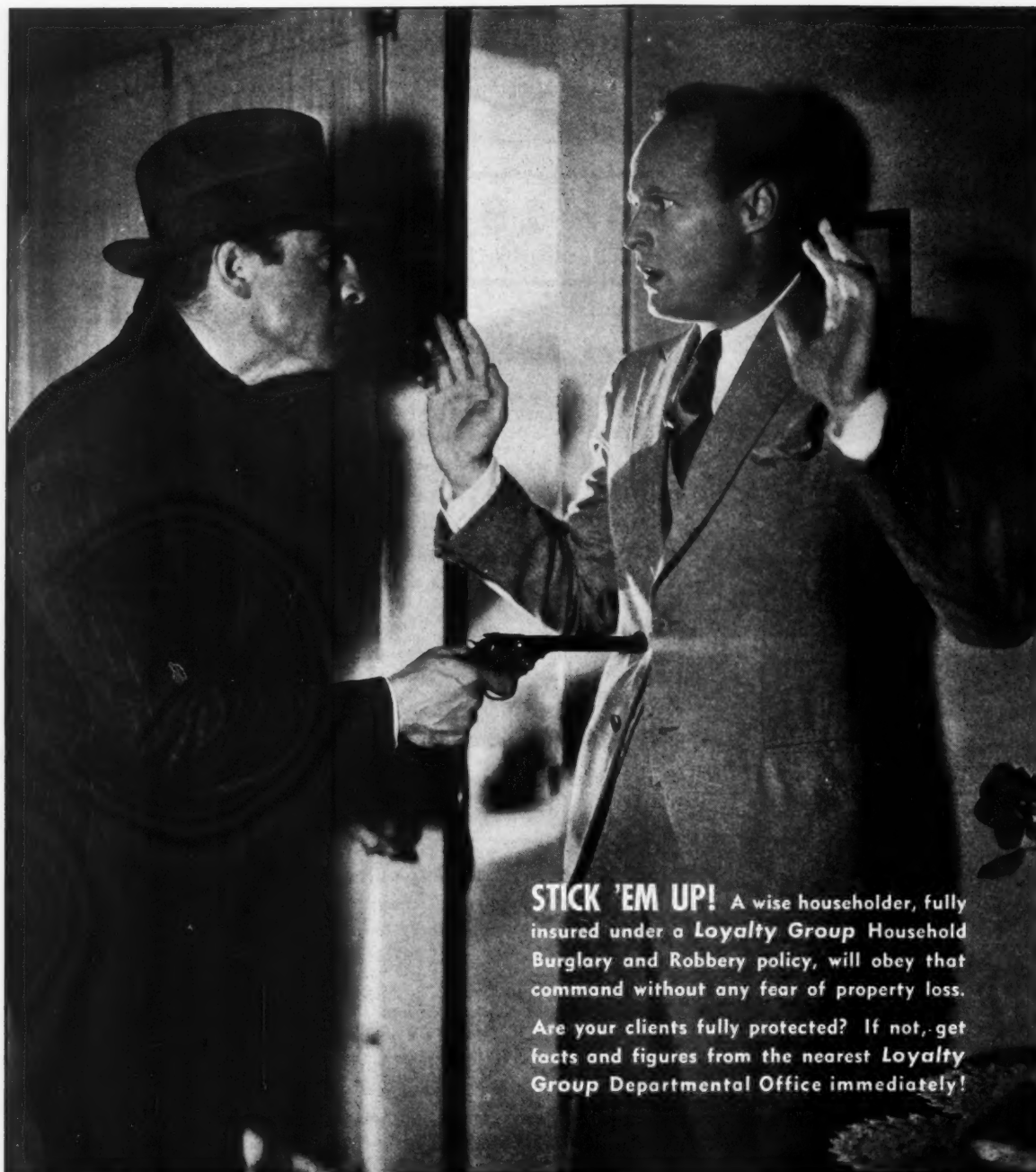
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